

Harry L. Hedger, Glen Cove.
 Henry L. Sherman, Glens Falls.
 Oby J. Hoag, Greene.
 Carl Gardner, Groveland.
 Nell S. Barclay, Hillsdale.
 Robert L. McBrien, Huntington.
 Estella Otis, Keene Valley.
 Ruth W. J. Mott, Oswego.
 John H. Quinlan, Pavilion.
 Harry C. Holcomb, Portville.
 Giles C. deGroot, Ronkonkoma.
 Asa C. Rowland, Salamanca.
 Conrad Happ, Sparrow Bush.
 Walter W. Tilley, Theresa.
 James Richtmyer, Windham.
 John T. Gallagher, Witherbee.

NORTH CAROLINA

William T. Fletcher, Boonville.

NORTH DAKOTA

Guy E. Abelein, Anamoose.
 Gilbert A. Moe, Sheyenne.
 James C. Acheson, Souris.
 Edith M. Ericson, Underwood.

VERMONT

Joshua H. Blakley, Bellows Falls.
 Sanford A. Daniels, Brattleboro.
 Percy E. Bevins, Burlington.

VIRGINIA

Campbell Slemp, Wise.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 22, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, our prayer to Thee is not an attempt to change Thy will, but to adjust our motives to the divine purpose. Thou hast said, "God so loved the world"—then it is not lost. Have pity when Thou lookest upon its marred face. Restore unto it everywhere the blessings of just and righteous government. Look upon our own country; may we have a boundless faith in its institutions and work unceasingly for its greatest good. Mold our decisions and determine their direction. Create within us heroic convictions, and may we be of tried metal in every hour of need. Make us men who bear in our own breasts the worth of man. God help him; he is more immature than wicked. By every widening of our affection for him we reflect the character of our Elder Brother. Grant that we may have this day the consciousness of having done cheerfully the things which are altogether worthy of our station and made an essential contribution to the stability of the Republic. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, before the special order is taken up to-day, may I ask the majority leader a question or two? Several Members have asked me about the Granata contested-election case. I wish we could have some agreement on a day certain to determine that case, if possible. The suggestion is made on this side because a great many of the Illinois Members have primary election contests, and they would like to have this go over until after April 12. As a matter of fact, I shall make the request for April 14 as a day certain, if the gentleman from Illinois could consider it.

Mr. RAINEY. Mr. Speaker, I regret that that would be impossible. We do not want to bring it up during the pendency of the tax bill, although it is a matter of the highest privilege. We will call it up immediately after the tax bill and make it the first order of business.

Mr. SNELL. It is somewhat uncertain when the tax bill will be finished. Could the gentleman agree that he would give this side at least three days' notice before the election contest is called up? I think that is only fair, so that we may have a definite day fixed.

Mr. RAINEY. I think before we get through with the tax bill we will be able to determine approximately the day that we will finish it.

Mr. SNELL. I think it is only fair that we should have two or three days' notice before the case is taken up.

Mr. RAINEY. I agree with the gentleman.

Mr. SNELL. I would like to have it fixed for the 14th of April, but if the gentleman can not do that, I hope that he will definitely announce it two or three days in advance.

Mr. RAINEY. The only definite thing that I can state is that we can not take it up during the consideration of the tax bill; but we will take it up immediately afterwards, and we will give the gentleman three days' notice.

REVENUE BILL OF 1932

The SPEAKER. Under special order, the gentleman from Arkansas [Mr. PARKS] is recognized for 10 minutes.

Mr. CROSSER. Mr. Speaker, before that is done, will the gentleman from Arkansas yield?

Mr. PARKS. Yes.

Mr. CROSSER. In order that I may call the attention of the House to the fact that we have from Ohio here this morning, in the gallery, the representatives of the Chiefs of Police and Sheriffs Association of Ohio. [Applause.]

Mr. PARKS. Mr. Speaker and gentlemen of the House, I realize as much as any man who lives the critical condition of this country to-day and that the hour has come for every patriot of this land to give to this subject the most careful and thoughtful consideration. I have no criticism to offer of the members of the Ways and Means Committee that brought in the tax bill under consideration. I know the cross currents under which they labored. I know that here and there, their trail has been beset until they were unable to bring in a bill that was satisfactory to them, and I have no thought in my remarks of criticising the committee. I disagree with most of the bill.

I think, perhaps, for the first time in the history of this Congress, or at least during the years that I have been here, one of the leaders of this House felt it his duty to catechize and chastise the Members who were endeavoring to follow him. On the first day that the bill came up for consideration our distinguished friend took the floor to criticize those of us who dared to speak the language of the man who toils, and the man who labors, and then on a succeeding occasion there was broadcast one evening to the four corners of the earth, the statement that an insidious lobby was here undertaking to join with us to defeat the sales tax. Later on this same distinguished leader took the floor to further chastise us and say that Democrats following the Democratic platform and listening to the voice of humanity had gone further toward communism than any country in the world except Russia. I fling back into the face of those who criticize us in this way that we resent that criticism. Then finally, through a national hookup, it was broadcast to our constituents over the radio to send to their Congressmen a message telling them to lay upon the backs of the laboring people of this land \$595,000,000 in taxes that the Congressmen think are unjust, and which the Democratic platform said you should not put upon the backs of the people as a matter of principle.

The first day the bill was under consideration and before the ink was dry upon it, one of our distinguished leaders said, "Oh, yes; it is a popular thing to say, soak the rich," and that has become the shibboleth of the men who are advocating this sales tax. I have no disposition to soak the rich, but I say to you now that whether you soak the rich or not, this patriotic band stands together and vows by all we hold sacred in this world that you shall not soak the poor. [Applause.]

I am just as jealous of the credit of our country as any man here. I am just as jealous of her credit and her faith as any man who walks this earth, but the fight that we made

has brought about a change in this bill that will be for the benefit of the American people. If we can help it, you shall not take the sweat from the toil of the working people of this land and pay this deficit, but you must go to the accumulated fortunes of the men who brought on this infamous panic, and pay this deficit. [Applause.]

Mr. RANKIN. Will the gentleman yield?

Mr. PARKS. I yield.

Mr. RANKIN. It was intimated on the floor of the House on Saturday and carried throughout the press that those of us who are opposing the sales tax were excited and in no condition to legislate. As a matter of fact, the only people who were excited were the advocates of the sales tax who were opposing us.

Mr. PARKS. I think the gentleman is correct about that. Surely no man who is opposing this sales tax has got so excited that he would criticize unjustly the men who do not oppose it, in this great fight.

What is the bill before us? What does it do? It taxes everything, practically, that is manufactured in this world. It taxes the ice that you press to the fevered brow of your sick and your loved ones. It taxes the bread that you put in the mouths of the hungry. It taxes the shoes that you put on the feet of the barefooted. It taxes the clothes that you put on their backs. It taxes the hat that goes on their heads. It taxes every manufactured article, almost, known to man.

Mr. BLANTON. Will the gentleman yield?

Mr. PARKS. I will.

Mr. BLANTON. It has been stated also, through the press and here, that those of us who, in accordance with the Democratic platform, are fighting a sales tax, are insurgents, when it is very evident that a great majority of this House is against the sales tax, hence those who are for it should be called "the insurgents."

Mr. PARKS. Not only that, but nowhere has any Democratic platform nor any Republican platform ever declared for this unholy tax that must be put upon the necessities of life, and not upon the ability of a man to pay and the man that has it. Why not levy a tax upon incomes? We have the lowest income taxes of any nation on earth which has an income tax. Why not go to the men that have ability to pay? Why not go to the men who have accumulated these fortunes, men who have hidden them out and taken them away and put them out of circulation? Why should we not lay our hands upon those vast fortunes that to-day have made this panic that we are now going through?

Three years ago this was a prosperous land. Three years ago the wheels of industry sang a song of happiness, of prosperity, love, and contentment. Millions of men bade their families good-by in the morning, with a full dinner pail on their arm, and went forth to make an honest living, happy in the thought that they were able to build a home and to buy for their loved ones. Then there came striding across this earth that great colossus who said, "Make me your leading official; make me your chief, and prosperity will not only continue but we will have an automobile in every garage; we will have two chickens in every pot." Lo and behold, three years from that time you not only do not have the automobile in the garage but you do not have the garage. You not only do not have two chickens in the pot but you do not even have the pot in which to put the chickens. [Applause.]

To-day over the head of every man and over the head of every woman disaster hangs like the sword of Damocles, and millions of men to-day are without work. In more than 8,000,000 homes the wail of the wolf of want is heard by day and by night, and famine, like a grim specter, wraps her shroud about her and goes from door to door, from coast to coast, and yonder in the White House sits that great mind, impotent and helpless, while men are without employment. [Applause.]

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. PARKS. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PARKS. Mr. Speaker, in conclusion, let me say our crowd is not to be terrorized or intimidated by anybody. They have just begun to fight, and in the words of that immortal American who will live forever in the hearts of his countrymen, "We are standing to-day at Armageddon, battling for the Lord." [Applause.]

The SPEAKER. Under the special order of the House, the gentleman from Nebraska [Mr. HOWARD] is recognized for 10 minutes.

Mr. RAINEY. Mr. Speaker, may I propound a unanimous-consent request?

The SPEAKER. The gentleman will state it.

Mr. RAINEY. I have no desire to reply to the address just made by the gentleman from Arkansas; but I ask unanimous consent to insert at this point in the RECORD and just after the gentleman's address my radio speech to which the gentleman referred.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Reserving the right to object, is that the same radio address to which the gentleman referred, criticizing the Members of Congress who are opposed to the sales tax?

Mr. RAINEY. The gentleman will find nothing of that kind in it. That is the reason I want to press it at this point.

The SPEAKER. Is there objection?

Mr. LaGUARDIA. Reserving the right to object, and I shall not object, but if the gentleman's radio speech—

Mr. BACHARACH. Mr. Speaker, the regular order.

Mr. LaGUARDIA. The gentleman can have the regular order if he wants it. The regular order is that I am going to make a unanimous-consent request.

The SPEAKER. There is one unanimous-consent request pending.

Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, granted this day, I include the speech I made over a coast-to-coast network of the National Broadcasting Co. on Thursday night, March 17, 1932, beginning at 10.15 p. m., eastern standard time.

The speech is as follows:

The levying of taxes is one of the unpleasant duties devolving upon a Member of Congress; but when the necessity arises for the imposition of additional taxes, we must meet it with courage. Nobody likes to be taxed.

There is under consideration to-day in the House of Representatives a tax bill which we will commence to read for amendments to-morrow, and which proposes to raise enough additional taxes to balance the Budget in 1933. The bill is being vigorously opposed upon the theory that we can balance the Budget by reducing the expenses of operating the Government or that we can balance it by imposing higher taxes on the big incomes and on the big estates, and the general public has the impression that Federal salaries are too large and they should be cut, that they should receive the same cut that business is now giving to its employees and which have been sanctioned by the labor organizations, and this amounts to a 10 per cent cut in all salaries. These propositions appeal very much to the taxpayers, and they have become convinced that this is the road out of our present difficulties.

To-night I expect to discuss the exact situation in which we find ourselves at the present time. The facts I am going to give you are the result of close study and the figures are official and are also corroborated by extensive research work.

At the present time our Federal deficit is greater than the deficit of any other nation in the world and is greater than the deficit of any nation at any time in the history of the world. We are not collecting enough money to run the Federal Government.

In 1931 we ran behind \$1,123,000,000. Nearly half this amount was due to borrowing for the loans we made to veterans. At the present time the Federal Government is running behind \$7,832,000 every day, and unless we succeed speedily in balancing our Budget this daily deficit will not only continue but will be substantially increased.

The deficits for the fiscal year 1931 and for the fiscal year 1932 are not provided for in the Budget for 1933. It would be impossible to do that. These enormous amounts are being added, or will eventually be added, to the public debt. By the end of the fiscal year 1932 we will have added to the public debt \$5,000,000,000

which must some day be paid. In other words, the public debt is almost back now to where it was when we commenced to reduce it a few years ago. If we can sell long-term Government bonds at 4¼ per cent in the near future, and that is the least we can expect to pay, we will have added to the expenditures of this Government on the item of interest alone per year \$210,000,000.

We have borrowed all we can. The Government's credit is destroyed. Recently some of our bonds were selling as low as 85. When the announcement was made three or four weeks ago that we proposed to balance the Budget, Government bonds went up until these low-interest-bearing bonds are now selling around 91. Less than a year ago they were selling for 101. When the credit of a government is so destroyed that its bonds sell below par, as our bonds are doing, and when it can not borrow money at all on long-term issues, and when we are running behind nearly eight million dollars a day, the conclusion is inescapable that the Government is bankrupt and its solvency must be restored.

Our Federal Government has no assets except its public buildings which yield nothing in the way of revenues, and its public lands which yield no revenues, and which we can not even give away on account of the fact that they are practically worthless except for grazing purposes.

The Members of both branches of the National Congress sit here as directors of the greatest corporation in the world, of which 120,000,000 people constitute the stockholders, and the 120,000,000 stockholders ought to be in favor of measures which will restore the solvency of the great corporation in which they are interested. Unless we do it, there is ahead of us in the immediate future, and it may come this summer, a panic the like of which no other nation in the world ever experienced. We must restore confidence in our banks. People are now hoarding their money, and over a billion and a half dollars have now been retired from circulation. We must restore the buying power of the people, and the first step in that direction is to restore the solvency of the Government itself.

It is a popular thing to "soak the rich" by taxes. Those of you who agree to that proposition will be pleased, I am sure, to know that we are doing it in this bill. We take in taxes approximately one-half of all incomes over \$100,000 a year. This is as far as we are advised by economists we can safely go without reaching diminished returns. We are practically doubling the income taxes and surtaxes and we are lowering the exemptions. After having done all this we will still have left a Budget deficit of \$1,241,000,000 for 1933.

We are decreasing all governmental expenditures for 1933 by reductions made now in Congress as the Budget estimates come in of \$125,000,000. We are, by administrative economies in the departments of the Government, accomplishing a saving of \$100,000,000 more. Already governmental employees are being discharged in order to accomplish this, and Members of Congress are beginning to hear from it, but we expect to accomplish these economies, and this is as far as we can hope to go unless we reduce salaries of all employees of the Federal Government from the President down.

You will be interested in knowing what can be accomplished in the way of salary reductions. It is popular to suggest that reductions be made of salaries of \$5,000 and over that. I have been advising that course myself, but a 10 per cent reduction in all salaries of \$5,000 and over will result in a yearly saving of approximately \$3,500,000, which is less than half of the Federal Budget deficit for one day of time. If we reduce all salaries of \$5,000 and more than that 20 per cent, the result would be that we will then have failed to overcome the Budget deficit the Government is now sustaining for one day.

In order to accomplish any substantial cost saving, we are going to be compelled to reduce all salaries 10 per cent. If we reduce all salaries 10 per cent, from the President down, we will accomplish a cost saving in the operations of the Government of less than \$58,000,000. In other words, we will only overcome the Budget deficit we are now sustaining for approximately eight days of time.

I only speak for myself, but I have been compelled to the conclusion that we must reduce all Federal salaries, little and big, for the psychological effect it will have on the country in the immediate future.

I might mention also that we are practically doubling the taxes on the big estates by these increases, but they will not be available during the fiscal year 1933. Therefore they do not help us much. It takes over a year to settle up an estate, especially a big estate. The Government will not get the taxes until the estates are settled.

The next proposition which presents itself is how much can we reduce the ordinary expenses of the Government. It will surprise many of you to know that out of every \$100 the Government expends \$71.88 is expended on account of wars—wars which have been and wars which may occur in the future. It would appear to those of you who have not closely studied the question that reducing this amount ought easily to be effected, but I call your attention to the fact that \$28.83 of that amount goes out in the payment of interest on war debts, and these bonds are held by our own nationals. This, of course, can not be reduced.

Of that amount \$26.71 is expended on account of pensions to soldiers of all of our wars and to their dependents. There is no way of reducing that. We can not close the hospitals and discontinue our pensions to disabled and aged veterans and their widows and dependents. None of you want to do that if you could.

I have now accounted for \$55.54 of the \$71.88 expended on account of war. That part of it can not be reduced. At the present time we are expending on account of our Army and Navy only

\$16.35 of the amount which I am enumerating as war expenditures. We hope to accomplish some reductions in that, but not much. Patriotic organizations throughout the United States are most vigorously protesting against reductions in the amount expended on the Army and Navy and thereby interfering with our national defense. This makes up the entire amount of \$71.88 out of every \$100 the Government expends. I would like to know how we could accomplish many substantial reductions there.

Out of every \$100 which the Government expends, \$9.03 goes for public improvements, good roads, improvements in rivers and harbors, and public buildings. If we stop building roads and stopped absolutely the work on rivers and harbors and stopped the building of public buildings and eliminated this entire expense, we will not have saved much, and the demand for roads, improved rivers, and public buildings is so great that we can not expect much reduction in this amount.

This leaves out of our \$100 only \$20 which we expend for carrying on all of the functions of this great Government of ours, amounting in all to eight hundred millions, out of four billion plus dollars we expend every year, and out of this \$800,000,000 must come the reductions we expect to make.

We expect to accomplish a reduction in this amount of \$225,000,000 in the next year, and to that should be added approximately \$58,000,000 if we cut all salaries 10 per cent, and in estimating our deficit we are already accounting for this reduction in expenses of \$225,000,000. If we cut salaries and take out \$58,000,000 more we will have left only \$607,000,000 with which to carry on the functions of this Government.

These facts are unpleasant to a great many of you, but you ought to know about them. I might add to this, and I regret to do it, this additional fact, that in estimating our income for 1933 we include as receipts the \$270,000,000, the allied nations will now owe us in 1933. Personally, I do not think they will pay a dollar of it. If they do not pay, our deficit for 1933 will be \$270,000,000 more than we have estimated it to be.

We have also estimated that our receipts from income taxes in 1933 will be \$1,100,000,000. It may be much less than this. I notice from newspaper items statements to the effect that it may be \$300,000,000 less than this amount, and estimates they make are based upon the income-tax returns now coming in. If they are right about it, this will add to the deficit another \$300,000,000. Personally, I can not believe that they are right, although I am sure there will be a substantial reduction below our estimates.

The situation I am describing is not pleasant, but the millions of people who are listening to me to-night ought to know exactly what is happening. Our great deficit is not due so much to increased expenditures of the Government, although increased expenditures in part account for it, but in small part. Our deficit is due to diminishing returns in practically every item of national revenue. The income tax is our principal source of revenue. In 1932 our income from this source decreased \$660,000,000 below the receipts for 1931. For 1933 we are estimating a further decrease of revenue from this source of \$40,000,000. Personally, I now believe it will be much more than that amount, and the newspapers which are now estimating it at \$300,000,000 may even be right about it.

I might go through the list of revenue receipts from all sources and they will all show decreases.

We are proposing a general sales tax of \$600,000,000 spread over the entire field of industry, exempting raw foodstuffs and canned foodstuffs, exempting every business with a turnover of less than \$20,000, also exempting from its operation all farm products and the expenses of farmers for fertilizers and seeds. This is the kind of a tax in force now in practically every country in the world. It is an emergency tax. It will be an invisible tax, not perceptible to the purchaser of completely processed articles.

A tremendous opposition to this is being stirred up in the country. If it is defeated, we are going to be compelled to go to the high, objectionable war-time excise taxes, such as additional taxes on tobacco, on conveyances of real estate, on automobiles, on admissions to theaters of 10 cents and over, on radios and phonographs, on checks and drafts, on increased postage rates from 2 to 3 cents. Some or all of these taxes may be necessary to balance the Budget. It is a choice now, so far as the battle goes, between the general sales tax I have mentioned and the objectionable taxes like these. Of course, we must go to one or the other of these systems.

If you prefer a return to the war-time taxes, your representatives in Congress will put them in. If you prefer the emergency general sales tax spread over practically the entire field of industry, therefore bearing lightest on the individual industries, your representatives in Congress will give you that kind of a tax. Members of Congress hear only from their constituents who are opposed to balancing the Budget, and the letters and telegrams they are receiving—I am receiving hundreds of them every day—are the result of propaganda sent out by the new type of lobbyists we have, whom I am calling invisible lobbyists. We never see them. They give no study whatever to the subjects they take up.

Their effort is, in order to defeat certain propositions or to get higher tariff rates, to circularize the districts of Members of Congress asking the citizens that they write to their Members of Congress or wire them opposing or favoring certain propositions, and then we commence to hear from them; and if a Member of Congress hears from his constituents, whether what he hears is propaganda or not, he listens to it. We have had enough of these propaganda letters.

And in conclusion I want to ask all of my listeners to-night who are impressed by the facts I have been relating to wire or

write their Members of Congress at once, insisting that the solvency of the Government be restored and that they vote to do it. If you prefer the sales-tax method, tell them that. If you prefer the more objectionable methods which you have already tried in war time, tell them to vote for that; but tell them, so that they can understand it thoroughly, to vote for these taxes and to do what they can to balance the Budget of the great corporation in which you are all interested as stockholders.

The SPEAKER. The gentleman from Nebraska [Mr. HOWARD] is recognized for 10 minutes. [Applause.]

Mr. HOWARD. Mr. Speaker, every American citizen with red things in his blood has difficulty in being calm in the presence of either a direct or an implied challenge to his patriotism. I shall be calm now, Mr. Speaker, for two reasons: The first is the command of my doctor. The second is that I do not want to inject anything here which might further increase the bitterness entertained by many Members of this House with reference to the sales tax.

Oh, I wish that my beloved leader by choice of the years ago, and my leader through only the call of love in this moment, might inject into this debate more of the views he entertained in other years as to this legislation, and less of his unhappy transformed views of to-day.

Those of us who have opposed the sales tax have been charged, impliedly, at least, with trying to Russianize this dear Republic of ours, and with creating a spirit of communism.

Mr. Speaker, who is now creating the spirit of communism in America? I declare to you my sincere belief that the daily conduct of those elements so largely behind the sales-tax proposition, without any reference at all to my colleagues here—the attitude of those men—is creating more of the spirit of communism in our country in an hour than a thousand street-corner, soap-box orators could create in a month. [Applause.]

I have heard it stated on this floor that one William Randolph Hearst was responsible for the bringing of this sales-tax proposition before our House.

I want to be fair toward all men. I hold no brief for William Randolph Hearst. I accepted his invitation to go to Canada to study the sales tax. I was his guest. I am glad to say he treated all of us very courteously, and I am here to testify that so far as I knew he did not, even by inference, try to impress us with his view regarding the sales tax while we were in Canada. But I am glad I went to Canada. I saw at first hand the workings of the sales tax, and God forbid that those workings should ever be carried to my own country. [Applause.]

Mr. Speaker, what is the chief object of the sales tax, or, rather, what is the chief object of its promoters—meaning, of course, not at all any colleagues of mine in the House? The chief object of the real promoters of the sales tax is to build up a system of taxation in the United States under the terms of which those who are able to pay will have a large measure of the burden of taxation removed from their shoulders and laid upon the shoulders of those less able to pay.

In fine, it means, carried to its legitimate conclusion—just as it means in Canada—that soon or late there will be so much of a sales tax collected from the common herd in our country that the Congress will be called upon to lift the burdens of income taxation which now rest upon the shoulders of the uncommon herd. That is all there is about it.

We have read in the newspapers in recent hours that this sales-tax feature of our bill is going to be sugar-coated in a manner to win to its support those of us who are opposed to the principle of the tax. I do not believe, Mr. Speaker, that any one of the progressive Democrats and progressive Republicans with whom I have been associated in opposition to this bill can be brought to desert a principle by any sugar-coating of this legislation by the committee. [Applause.]

Mr. Speaker, with your permission, I would just like to talk a little to Democrats alone. [Laughter.] If it be true—and it is true—that the Democratic Party has always been the party of the people in this country, what will the people whom this party is supposed to represent have to say to us during the approaching campaign if we shall send every

Member of the Congress and our presidential nominee out into the world defending the infamous thing known as a sales tax?

Mr. RANKIN. Will the gentleman yield?

Mr. HOWARD. Certainly.

Mr. RANKIN. Every time this sales tax has ever come up in a National Democratic Convention it has been unanimously condemned.

Mr. HOWARD. Oh, yes, it has, and it will be condemned by the approaching Democratic National Convention. [Applause.] But I want to ask you Democrats to think of this seriously. Do you really want to see a Democratic President occupying the chair of state here in Washington? Do you? Do you believe that you can send a presidential candidate out to plead the cause of a sales tax before the common people with any assurance whatever of his election? Why, no; you do not. You do not believe anything of that kind. It is not possible.

Oh, my friends, I wish I might be privileged to speak to you very vigorously this morning. If I could, I would like to paint a word picture of a wonderful house on a high hill, a beautiful house, and over the door of that house in letters of silver and gold would appear the words "The House of Victory."

Now, pretty soon we are going out on a march toward that house. Here in this House to-day we will act in manner to make possible the entering of the Democratic hosts into the door of that house of victory or we will act in manner to have the Democrats stopped at the very threshold of that door—stopped by their own suicidal act in passing a sales tax. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

[Here the gavel fell.]

Mr. HOWARD. Mr. Speaker, may I speak a little while longer? [Applause.] I ask unanimous consent to speak for five minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. First I want to answer the question of the gentleman from Wisconsin.

Mr. SCHAFER. Is it not a fact that the gentleman who holds a mortgage on the Democratic Party, Mr. Raskob, is in favor of this sales-tax monstrosity?

Mr. HOWARD. The gentleman from Wisconsin is more acquainted with mortgage holders than I am.

Mr. BLANTON. Will the gentleman yield?

Mr. HOWARD. Oh, yes.

Mr. BLANTON. Neither Mr. Raskob nor anybody else holds any mortgage on the Democratic Party. The gentleman from Wisconsin will learn that when the Democrats of this House get through with the so-called nonpartisan sales tax the Democrats of the Nation will still have plenty of confidence in the Democratic Party. [Applause.]

Mr. HOWARD. Oh, I hope so.

Mr. CONNERY. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. CONNERY. The gentleman has talked about our march toward Democratic victory in the next election, and I would like to ask the gentleman's reaction to this fact: The President of the United States at no time has said in any public statement that he is in favor of any pay cut in Federal salaries. If the gentleman, like myself, wants to see a Democratic President of the United States, does he not think that the Economy Committee had better take a vacation? [Laughter and applause.]

Mr. HOWARD. Mr. Speaker, instead of having the Economy Committee take a vacation, my best wish at the moment is that instead of a vacation the Economy Committee get busy and bring into this House a proposition to do away with every useless board and Federal commission created by the President [applause]; and, further than that, to bring in legislation to reduce temporarily, at least, the salary of every public official in the higher brackets, including my own. This is what I think the Economy Committee ought to do. [Applause.] I do not speak from the stand-

point of a man who has so much money that he can afford to give away two or three thousand dollars of his salary, but God and men know that we, as Members of this Congress, can better afford to sacrifice one-fourth of our salary and still be in better attitude to live and to eat than millions of American citizens who but a little while ago were even better financially fixed than we are.

I do not want to be regarded as a demagogue, but if my advocacy of human rights as against money rights shall win me that designation, then I shall accept it as a badge of honor. [Laughter and applause on the Republican side.]

Now, I want to go over here and talk a little bit to my sales-tax brothers on the other side of the aisle. [Laughter and applause.] Now, my brothers—brothers in name, but not in fact—I sympathize with you.

Mr. SNOW. We do not need it.

Mr. HOWARD. Oh, you do need lots of sympathy. I sympathize with any man belonging to a political organization who is unable to look up to the titular head of that organization and discover one single act or one single principle ever performed or advanced by that titular head for the cause of human rights as against money rights, which anyone here present or elsewhere can go out and plead to the world and ask its acceptance. [Applause.]

We who are opposing this or any other form of sales tax have several times been admonished to pause and consider what we are doing. My reply is that we have carefully considered our course of action. The question we are discussing presents a fundamental difference of viewpoints. We hold no animosity toward wealth as such. We recognize that great wealth may be honestly acquired and properly employed. But we know that the great concentration of wealth in this country has, to a large extent, been the result of governmental favoritism—favoritism of tariffs, financial control, and similar advantages by which, year by year, a smaller and smaller number of our citizens acquire a larger and larger proportion of all the wealth of the country. Added to these economic advantages, the wealthy citizens have not been compelled to bear burdens of taxation which weigh upon them to the extent that taxes weigh upon the ordinary citizen. Our primary purpose in this fight is to raise the revenue from those who are best able to pay. You talk about our proposals being confiscatory upon those of great wealth. Let me reply to that by asking you, What ordinary individual to-day would not be glad to have an income which compelled him to pay the increased surtaxes which we have provided in the higher brackets?

This is a time of stress and the average citizen is not in a position to meet his present burdens, much less to have additional ones imposed upon him. The heavy burden of taxation which we are compelled to impose upon some one should be placed upon those who are best able to carry that burden to-day. That is the essence of the fight we are waging here in this House.

Mr. Speaker, I am remembering that my doctor commanded me to speak ever so quietly and briefly to-day, and so, in the vernacular of my Indians, I say no more. [Laughter and applause.]

ONE HUNDREDTH ANNIVERSARY OF THE DEATH OF GOETHE

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to address the House for five minutes on the one hundredth anniversary of the death of Goethe.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLOOM. Mr. Speaker, to-day marks the one hundredth anniversary of the death of Johann Wolfgang von Goethe. It is only fitting, at a time when the entire world is participating in a bicentennial celebration honoring our George Washington, that we recognize this great date.

It is fitting and appropriate, for a number of reasons, that we pause in our thought of George Washington to turn our attention to the great German poet, philosopher, dramatist, novelist, and scientist.

Far apart as the two men were in the fields assigned them by the great Creator, the two were alike in many respects.

They were alike, first of all, in being among the very few supreme minds that humanity has produced.

No statesman was greater than Washington. No poet, not even Homer or Shakespeare, was greater than Goethe.

The great German did his work for human advancement in the peace of his study, while the great American wrought the good that he did on the field of battle or in political councils. But in essentials the two men thought alike.

One of Goethe's first dramas concerned itself with the celebrated of a great sixteenth-century champion of liberty. And in the last great work of his life, the completion of *Faust*, he raised the hero of that immortal work to the plane that Washington occupied throughout his life—the plane of simple wisdom and disinterested service to one's fellow men.

A survey of Goethe's contributions to human thought, an estimate of what he did for the lifting up of the human heart, is the task of scholars and critics. But the person of even limited reading knows something of Goethe's place among the immortals.

So much of human life is gathered up in his varied works—he explored so many human problems, he lighted up so many deep recesses in the human heart—that it is little wonder that critics assign him the honor of having given shape to an entire era of human culture.

Goethe is Germany's pride, as Washington is ours. And the nation which sent to Washington's aid the military genius of Von Steuben and De Kalb, and the loyalty of thousands of German-Americans in Washington's ragged army, deserves the compliment of America's tribute to its chief adornment.

Though Washington and Goethe never met, their purposes ran parallel, their efforts were alike for human good, and the two were one in their counsels of good will.

Could we honor them in any more fitting way than by putting into our everyday relations that same good will, not only among ourselves but with all other nations?

Is it not possible for surface differences between peoples to sleep, as the bodies of these two great men sleep, while the spirit of concord they voiced lives on?

I suggest that in the name of George Washington, whose last public words expressed that spirit, we Americans extend to the German people a fitting return for the honors they have tendered the memory of George Washington in this bicentennial year. [Applause.]

On March 6, under the patronage of President von Hindenburg, the German Reichstag held a celebration in honor of the George Washington Bicentennial, at which time the walls of that chamber rang with the strains of the Star-Spangled Banner.

To-day let us pause and think of their great hero—their gift to civilization—Johann Wolfgang von Goethe. [Applause.]

THE REVENUE BILL OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, the revenue bill, and, pending that, I ask leave to make a short statement.

The SPEAKER. Is there objection.

There was no objection.

Mr. CRISP. My colleagues, I sense the temper of the House as well as any other Member. I repeat that I have said or done nothing to alienate the personal feelings of any Member of this House, and neither have I criticized any Member of this House. I am performing my duty as I see it, and you are doing likewise.

I do believe, my colleagues, it is to the interest of the country that this matter be speedily disposed of. I am confident that every Member of this House knows how he is going to vote and that prolonged acrimonious debate will not change a vote. I am anxious to do what I can to expedite the consideration of this bill, and I say to you that which you all know, that the House has a perfect right to do what it pleases with the bill. I am confident that the

sooner the real controversial issue in the bill is disposed of the better it will be for the country and for the House.

Yesterday I talked with several friends, who are active in opposition to the manufacturers' tax, to see if we could come to some understanding whereby we might go at once to the manufacturers' tax title and dispose of it. No understanding was reached.

Acting in accordance with the Ways and Means Committee direction, I introduced a rule yesterday simply to provide that when the House again considered this bill we should take up the manufacturers' title under the general rules of the House.

Some of my friends who favored the bill as written, and some who are opposed to it, were opposed to any rule and thought it might add to the difficulties of the situation. Surely I am one of the last men in this House to do anything that might add anything to the difficulties in the speedy consideration of the bill.

This morning the gentleman from North Carolina [Mr. DOUGHTON], the gentleman from Mississippi [Mr. RANKIN], and the gentleman from New York [Mr. LaGUARDIA] did me the honor to come to my office to see if there was not some way by which we could reach an agreement to expedite the consideration of the bill.

We talked the matter over. I advised them that, of course, I could not come to any agreement with them, that I would have to confer with the Ways and Means Committee, with the Speaker, with the gentleman from Illinois [Mr. RAINEY], and the gentleman from New York [Mr. SNELL].

When the Ways and Means Committee met at 10.30 this morning, I presented the matter to them, but prior to that I had a conversation with the Speaker and the gentleman from New York [Mr. SNELL].

Now, the proposed suggestion by the three gentlemen I have named, Mr. DOUGHTON, Mr. RANKIN, and Mr. LaGUARDIA, was this: That I should ask unanimous consent that when the bill was taken up in the Committee of the Whole House on the state of the Union, we should proceed at once to the consideration of Title II, which is the inheritance estate tax title. It was suggested that we might have two hours' debate on that, to be under the 5-minute rule, and when the two hours were up not to preclude the offering of any further amendments that anybody desired to offer. You know that under the rules of the House you can move to close debate after the five minutes on each side is up.

The suggestion was that after the vote on the inheritance estate tax title we go immediately to Title IV, the manufacturers' sales tax title; that we would have two hours' debate, and that Members were to have the right to offer preferential perfecting amendments to the first section of the bill, and then it would be in order for anyone to move to strike out the entire title.

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. I will.

Mr. RANKIN. My understanding of the agreement was that we were to take up the inheritance-tax provision under the general rules of the House. Then, when that is disposed of, that we take up the sales-tax provision under the general rules of the House, just as we would if we were to come to it in the course of reading the bill, as we are now doing. I did not understand that we were to agree that anybody should have any undue right to offer any perfecting amendments.

Mr. CRISP. I do not think that is necessary under the gentleman's statement, and I agree that the matter was to be considered under the rules of the House, although I think it was understood that we were to limit the debate to two hours. The gentleman from North Carolina [Mr. DOUGHTON] said that he was willing to have two hours of debate, the gentleman from New York [Mr. LaGUARDIA] said that he was willing, but the gentleman from Mississippi [Mr. RANKIN] said that he was not willing to make any limitation but suggested that we let the House make the limitation.

Mr. RANKIN. I was not then referring to the time.

Mr. CRISP. I am going to answer the other, but I wanted to clarify that. I think the gentleman from North Carolina and the gentleman from New York will verify that statement.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. O'CONNOR. Will the gentleman tell the House from which side this suggestion comes? Who suggested the irregular order of jumping from one place in the bill to another?

Mr. CRISP. I might say both sides made the suggestion. I made the suggestion in the interest of expediting it, to do it by bringing in a rule to make the manufacturers' tax title first in order. Then this morning the suggestion was made from the other side that this unanimous-consent agreement be had, so I think I truthfully say that both sides suggested it in the interest of expediting the determination of the bill.

Mr. O'CONNOR. Is expedition the only motive that prompts this unusual arrangement? Is there any other reason the gentleman can ascribe?

Mr. CRISP. I think the foremost reason of all is that it is in the interest of our country to get this matter speedily decided. [Applause.]

Mr. O'CONNOR. Does the gentleman mean by that that the only thing now that is in sight is the matter of expedition, which might carry the suggestion that any possibility of agreement between the contending factions is gone?

Mr. CRISP. No. This agreement, if the House enters into it, does not affect the right of any Member of the House. Each Member would have a perfect right to offer germane amendments to any part of the bill, and the proposal is not to change the rules of the committee as to the consideration of bills under the 5-minute rule in the slightest degree. This agreement, if made, does not change in any way the orderly procedure of these two subject matters as to how they would be considered under the rules of the House. The estate tax, Title II, is in the bill ahead of Title IV, the manufacturers' tax, and if we just continue to read the bill as we were doing the estate tax would be reached first.

Mr. O'CONNOR. I do not think the gentleman caught the purport of my question.

Mr. CRISP. Let me finish this statement and then I shall yield further. Here is the advantage in this proposition as I see it: We left off reading the bill the other day on page 36. There are about 158 pages between that point in the bill and the point where we reach the estate tax. Those 153 pages are devoted to mostly noncontroverted administrative changes. They are matters that ordinarily would be read through rapidly. Unless some understanding or agreement is made in respect to reaching these controverted items it is within the power of the Members on both sides of the House to offer amendments to all of those 153 pages and delay, and it might be two or three days or a week before we would reach Title II. That is the whole proposition.

Mr. O'CONNOR. What I am trying to obtain from the gentleman for my own information is this: First, is there any possibility of an agreement between the contending factions?

Mr. CRISP. None whatever.

Mr. O'CONNOR. Has the gentleman from Georgia or his committee made any effort to compose the differences?

Mr. CRISP. Members of the Committee on Ways and Means in the performance of their public duty, as they see it, brought in a bill for the House to consider. It became almost immediately apparent that there were many Members of the House who were opposed to it, bitterly opposed to it, and there is no way in the world to compromise those differences. The only thing is to have it go to the House and let the House vote, and the House vote will be decisive of the matter. We have proposed amendments to meet certain exemptions. The members of the committee did not care to bring in a manufacturers' sales tax. They did it because they believed it to be the best method to meet the emergency. Naturally, the members of that committee when they first brought in the bill exempted all farm products, certain food products, and many other articles which I shall not

now enumerate. The committee has proposed a number of other amendments which we think, from the viewpoint of those opposed to the bill, should certainly make it less objectionable to them, and the committee believes that, with those amendments adopted, \$468,000,000 would still be raised by the manufacturers' sales tax.

Mr. PURNELL. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. PURNELL. In case the gentleman's unanimous consent is refused, does the gentleman intend to pursue his request for a rule or to continue the reading of the bill under the 5-minute rule as usual?

Mr. CRISP. If this request is not granted, personally I would prefer to go on with the reading of the bill.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. CANNON. The gentleman has just said that under this unanimous-consent agreement the bill would be read under the rules of the House. Then the gentleman said further that he desired to offer an amendment proposing additional exemptions. If the bill is read under the rules of the House, that means it will be read by paragraphs, does it not?

Mr. CRISP. That is the question which the gentleman from Mississippi [Mr. RANKIN] propounded to me a moment ago and I intended to answer it, but the gentleman asked me other questions and I could not answer it. Yes. The bill, under the rules of the House, is read by paragraphs. I apprehend, if this agreement is made, some gentleman opposed to the manufacturers' sales tax—I would not make it because I am for it—but I suppose some Member would perhaps move to strike out the first paragraph. Then I would offer a perfecting amendment to that first paragraph, with certain exemptions, and under the rules of the House, and under the rules of all parliamentary bodies I know of, where there is a motion made to strike out matter, a preferential motion to perfect the text is made before the vote on striking out is taken.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LaGUARDIA. Assuming, of course, that the amendment is germane?

Mr. CRISP. Certainly.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLANTON. Mr. Speaker, has not the Chairman of the Committee of the Whole House on the state of the Union, the gentleman from Alabama, Mr. BANKHEAD, already ruled that this bill is to be read by sections?

Mr. CRISP. No, no.

Mr. BLANTON. Well, what I want to ask the gentleman is this: What the gentleman from Georgia sought to do by his rule was to jump from page 36 in the bill over to section 4—the sales-tax section. The only thing that the other side demanded was that we first take up section 2. Is that not true?

Mr. CRISP. No. They proposed to jump from page 36 to about page 189.

Mr. BLANTON. Did they not insist that we take up section 2, which embraces the estate tax, first?

Mr. CRISP. Yes. And that is what I am asking to do. I am in no wise attempting to change.

Mr. BLACK. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLACK. Assuming that the committee's preferential amendment is voted down, and assuming a motion to strike the first paragraph is carried, will the Committee of the Whole House on the state of the Union be in any position then to consider substitutes?

Mr. CRISP. The Committee of the Whole House on the state of the Union would be in that position, yes; and I will say to the gentleman from New York that this is what I would hope would happen: Should the House strike out the manufacturers' sales tax title we would lose from the bill \$460,000,000 if all of our amendments making exception were adopted. From our viewpoint, counting the \$30,000,000 in-

crease from the two amendments that have been adopted as to the income-tax rate, the bill would still be short \$460,000,000. I would call the Ways and Means Committee and ask them to recommend to you certain amendments to fill in that gap. Then any other Member of the House, of course, could offer any amendment he pleased; and, if we should make a second recommendation and the House should disapprove it, I personally would see no necessity for the bill being referred again to the Ways and Means Committee; but what I would like to see would be for the House to adopt such amendments as they see fit and pass what remains of the bill and let it go to the Senate where the Senate could offer amendments, and if the Senate amended it, then it could come back to the House for consideration of the amendments put on in the Senate.

Mr. BLACK. Will the gentleman yield further?

Mr. CRISP. I yield.

Mr. BLACK. Would the amendment be an amendment to Title IV, that the matter concerning the sales tax be stricken out? Would there be just plain Title IV before the House, to which we could offer amendments?

Mr. CRISP. I would say to the gentleman from New York that they would not move to just strike out "Title IV." They would move to strike out the first paragraph, with notice that if that prevailed they would move to strike out each succeeding paragraph as it was reached, and then I think what I said a while ago would be true, that under the rules of the House, when another section was read and an amendment made to strike it out, a perfecting amendment would be preferential to be voted on before we vote to strike it out. This is the theory, and it is common sense, that the friends of a paragraph of legislation should be given an opportunity to perfect it before a vote is had on rejecting it entirely. It might be amended in such way that the House would not want to reject it entirely.

Mr. LOZIER. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LOZIER. In harmony with the suggestion made by the gentleman from Georgia, it seems to me that this unanimous-consent request should be granted for the reason that this bill is largely built around the sales tax and the estate tax, and the action of the Committee of the Whole House on the state of the Union on those two provisions will tremendously influence what shall be done with the other provisions of the bill. So it seems to me the part of prudence to go first to the principal controversial question and get it out of the way. Then we will know what changes, if any, to make in the other schedules.

Mr. BURTNESS. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BURTNESS. I would like to have the attention of the chairman on a practical question. I note that the first section under Title IV is, of course, section 601, while the exemptions are provided for under section 602. I think there are quite a number of Members of the House whose vote upon the question of straightening out the manufacturers' sales tax may, in large part, depend upon what is done with the exemption section. Do I understand the gentleman correctly when I understand that the entire title, not only the first section but the entire title, would be perfected before the vote was put to strike out the entire title?

Mr. CRISP. No, sir. But I will say to the gentleman that I am going to offer an amendment to the first section which will cover what the gentleman is talking about.

Mr. Speaker, I ask unanimous consent that when the Committee of the Whole House on the state of the Union resumes consideration of the tax bill, Title II, the inheritance or estate tax, be first considered; that immediately upon the conclusion of the consideration of that title the committee begin the consideration of Title IV, the manufacturers' tax title, and that under the 5-minute rule on each of those titles there be two hours' debate.

The SPEAKER. Is there objection?

Mr. ABERNETHY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Georgia a

question. I have just come back from home, and I understand there has been considerable confusion among the craft. I am wondering if during that two hours' debate the gentleman will be liberal in the disposition of time and will not allow all of the time to be taken up by members of the committee.

Mr. CRISP. The gentleman says he has not been here. There were 7 days of general debate on this bill and 2 days under the 5-minute rule. There never has been such generous debate on any bill.

Mr. ABERNETHY. Still further reserving the right to object, I will say to the gentleman that I have been engaged in Red Cross work trying to relieve some suffering fishermen, and when I came back here I understood there was a mob, and I am just wondering if this consent is granted—and I always like to give consent to the gentleman from Georgia—whether there will be an opportunity given to Members to address the committee during that two hours' debate. For instance, I might want to say a word.

Mr. CRISP. Mr. Speaker, may I change the request?

The SPEAKER. The gentleman will state it.

Mr. CRISP. I ask unanimous consent that when the committee resumes consideration of this bill it proceed at once to the consideration of Title II, the estate title, under the rules of the House, and immediately upon that being concluded it begin consideration of Title IV, the manufacturers' tax title, under the rules of the House.

The SPEAKER. The gentleman from Georgia asks unanimous consent that when the Committee of the Whole House on the state of the Union resumes the consideration of the bill H. R. 10236, it immediately begin the consideration of Title II and consider it under the rules governing the committee to its conclusion, and upon the conclusion of the consideration of Title II, it begin the consideration of Title IV under the rules of the committee. Is there objection?

Mr. CONNERY. Mr. Speaker, reserving the right to object—

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is, Is there objection? There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Georgia that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. GREEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. I would like to know if it will be in order when the committee amendments are offered to section 4 to offer amendments to the committee amendments.

The CHAIRMAN. Of course, because we are considering the bill under the general rules of the House. Under the unanimous-consent agreement the Clerk will read Title II of the bill.

The Clerk read as follows:

TITLE II—ADDITIONAL ESTATE TAX
SEC. 401. IMPOSITION OF TAX

In addition to the estate tax imposed by section 301 (a) of the revenue act of 1926, an additional tax equal to such tax is hereby imposed upon the transfer of the net estate (determined as provided in Title III of the revenue act of 1926, as amended) of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States.

Mr. LEWIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Lewis: Page 189, strike out lines 8 to 14, both inclusive, and in lieu thereof insert the following:

"(a) In addition to the estate tax imposed by section 301 (a) of the revenue act of 1926, there is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States, an additional tax equal to the excess of—

"(1) The amount of a tentative tax computed under subsection (b) of this section over

"(2) The amount of the tax imposed by section 301 (a) of the revenue act of 1926, computed without regard to the provisions of this title.

"(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"Upon net estates not in excess of \$12,500, 1 per cent.

"\$125 upon net estates of \$12,500; and upon net estates in excess of \$12,500 and not in excess of \$25,000, 2 per cent in addition of such excess.

"\$375 upon net estates of \$25,000; and upon net estates in excess of \$25,000 and not in excess of \$37,500, 3 per cent in addition of such excess.

"\$750 upon net estates of \$37,500; and upon net estates in excess of \$37,500 and not in excess of \$50,000, 4 per cent in addition of such excess.

"\$1,250 upon net estates of \$50,000; and upon net estates in excess of \$50,000 and not in excess of \$62,500, 5 per cent in addition of such excess.

"\$1,875 upon net estates of \$62,500; and upon net estates in excess of \$62,500 and not in excess of \$75,000, 6 per cent in addition of such excess.

"\$2,265 upon net estates of \$75,000; and upon net estates in excess of \$75,000 and not in excess of \$87,500, 7 per cent in addition of such excess.

"\$3,500 upon net estates of \$87,500; and upon net estates in excess of \$87,500 and not in excess of \$100,000, 8 per cent in addition of such excess.

"\$4,500 upon net estates of \$100,000; and upon net estates in excess of \$100,000 and not in excess of \$112,500, 9 per cent in addition of such excess.

"\$5,625 upon net estates of \$112,500; and upon net estates in excess of \$112,500 and not in excess of \$125,000, 10 per cent in addition of such excess.

"\$6,875 upon net estates of \$125,000; and upon net estates in excess of \$125,000 and not in excess of \$137,500, 11 per cent in addition of such excess.

"\$8,250 upon net estates of \$137,500; and upon net estates in excess of \$137,500 and not in excess of \$150,000, 12 per cent in addition of such excess.

"\$9,750 upon net estates of \$150,000; and upon net estates in excess of \$150,000 and not in excess of \$162,500, 13 per cent in addition of such excess.

"\$11,375 upon net estates of \$162,500; and upon net estates in excess of \$162,500 and not in excess of \$175,000, 14 per cent in addition of such excess.

"\$13,125 upon net estates of \$175,000; and upon net estates in excess of \$175,000 and not in excess of \$187,500, 15 per cent in addition of such excess.

"\$15,000 upon net estates of \$187,500; and upon net estates in excess of \$187,500 and not in excess of \$200,000, 16 per cent in addition of such excess.

"\$17,000 upon net estates of \$200,000; and upon net estates in excess of \$200,000 and not in excess of \$212,500, 17 per cent in addition of such excess.

"\$19,125 upon net estates of \$212,500; and upon net estates in excess of \$212,500 and not in excess of \$225,000, 18 per cent in addition of such excess.

"\$21,375 upon net estates of \$225,000; and upon net estates in excess of \$225,000 and not in excess of \$237,500, 19 per cent in addition of such excess.

"\$23,750 upon net estates of \$237,500; and upon net estates in excess of \$237,500 and not in excess of \$250,000, 20 per cent in addition of such excess.

"\$26,500 upon net estates of \$250,000; and upon net estates in excess of \$250,000 and not in excess of \$262,500, 21 per cent in addition of such excess.

"\$28,875 upon net estates of \$262,500; and upon net estates in excess of \$262,500 and not in excess of \$275,000, 22 per cent in addition of such excess.

"\$31,625 upon net estates of \$275,000; and upon net estates in excess of \$275,000 and not in excess of \$287,500, 23 per cent in addition of such excess.

"\$34,500 upon net estates of \$287,500; and upon net estates in excess of \$287,500 and not in excess of \$300,000, 24 per cent in addition of such excess.

"\$37,500 upon net estates of \$300,000; and upon net estates in excess of \$300,000 and not in excess of \$312,500, 25 per cent in addition of such excess.

"\$40,625 upon net estates of \$312,500; and upon net estate in excess of \$312,500 and not in excess of \$325,000, 26 per cent in addition of such excess.

"\$43,875 upon net estates of \$325,000; and upon net estate in excess of \$325,000 and not in excess of \$337,500, 27 per cent in addition of such excess.

"\$47,250 upon net estates of \$337,500; and upon net estates in excess of \$337,500 and not in excess of \$350,000, 28 per cent in addition of such excess.

"\$50,750 upon net estates of \$350,000; and upon net estates in excess of \$350,000 and not in excess of \$362,500, 29 per cent in addition of such excess.

"\$54,375 upon net estates of \$362,000; and upon net estates in excess of \$362,500 and not in excess of \$375,000, 30 per cent in addition of such excess.

"\$58,125 upon net estates of \$375,000; and upon net estates in excess of \$375,000 and not in excess of \$387,500, 31 per cent in addition of such excess.

"\$62,000 upon net estates of \$387,500; and upon net estates in excess of \$387,500 and not in excess of \$400,000, 32 per cent in addition of such excess.

"\$66,000 upon net estates of \$400,000; and upon net estates in excess of \$400,000 and not in excess of \$412,500, 33 per cent in addition of such excess.

"\$70,125 upon net estates of \$412,500; and upon net estates in excess of \$412,500 and not in excess of \$425,000, 34 per cent in addition of such excess.

"\$74,375 upon net estates of \$425,000; and upon net estates in excess of \$425,000 and not in excess of \$437,500, 35 per cent in addition of such excess.

"\$78,500 upon net estates of \$437,500; and upon net estates in excess of \$437,500 and not in excess of \$450,000, 36 per cent in addition of such excess.

"\$83,250 upon net estates of \$450,000; and upon net estates in excess of \$450,000 and not in excess of \$462,500, 37 per cent in addition of such excess.

"\$87,875 upon net estates of \$462,500; and upon net estates in excess of \$462,500 and not in excess of \$475,000, 38 per cent.

"\$92,625 upon net estates of \$475,000; and upon net estates in excess of \$475,000 and not in excess of \$500,000, 39 per cent in addition of such excess.

"\$102,375 upon net estates of \$500,000; and upon net estates in excess of \$500,000, 40 per cent in addition of such excess.

"(c) For the purposes of this section the value of the net estate shall be determined as provided in Title III of the revenue act of 1926, as amended, except that in lieu of the exemption of \$100,000 provided in section 303 (a) (4) of such act, the exemption shall be \$50,000."

The CHAIRMAN. It is the desire of the Chair to divide equally the time for debate on this amendment between those for and against the proposed amendment, and the Chair will undertake, so far as possible, to carry out that program.

The gentleman from Maryland is recognized for five minutes.

Mr. LEWIS. Mr. Chairman, I shall make only a factual and not an argumentative statement with respect to the above amendment.

In making my statement last Thursday I explained that if the rates applicable to individual incomes under the bill were applied to inheritances, a revenue equal to \$714,000,000, greater than that realized in the proposed bill, would be reached. This statement was based on two principal factors, namely: A 40 per cent maximum rate, and that rate applied at \$100,000 of income, as in the case of individual incomes.

The above amendment, however, which has just been read is not designed to raise \$714,000,000 but about \$481,000,000 in addition to the revenues arising under the present law; and the difference in these yields is accounted for by the difference in the income and estate rates and in the points of application of the maximum rates.

I will here insert a comparison by percentage of the present rates on net estates and individual incomes under the bill; also the estate rates proposed in the amendment as offered by me.

Present and proposed rates

Net income before exemption—individual or estate	Per cent of tax on estates under act 1926	Per cent of tax on individual incomes under bill	Per cent of tax on estates under Lewis amendment
\$2,000	None.		None.
\$3,000	None.	0.083	None.
\$4,000	None.	.50	None.
\$5,000	None.	.75	None.
\$6,000	None.	.91	None.
\$7,000	None.	1.17	None.
\$8,000	None.	1.50	None.
\$9,000	None.	1.83	None.
\$10,000	None.	2.10	None.
\$12,000	None.	2.83	None.
\$14,000	None.	3.57	None.
\$16,000	None.	4.37	None.
\$18,000	None.	5.11	None.
\$20,000	None.	5.80	None.
\$22,000	None.	6.45	None.
\$24,000	None.	7.08	None.
\$26,000	None.	7.69	None.
\$28,000	None.	8.28	None.

Present and proposed rates—Continued

Net income before exemption—individual or estate	Per cent of tax on estates under act 1926	Per cent of tax on individual incomes under bill	Per cent of tax on estates under Lewis amendment
\$30,000	None.	8.86	None.
\$35,000	None.	10.28	None.
\$40,000	None.	11.65	None.
\$45,000	None.	13.00	None.
\$50,000	None.	14.32	None.
\$60,000	None.	16.93	None.
\$62,500	None.	17.58	0.20
\$75,000	None.	20.80	.50
\$87,500	None.	23.89	.85
\$100,000	None.	26.56	1.25
\$112,000	0.11	28.75	1.66
\$125,000	.20	30.64	1.81
\$137,500	.27	32.13	2.54
\$150,000	.33	33.73	3.00
\$162,500	.46	34.42	3.46
\$175,000	.57	35.32	3.92
\$187,500	.66	36.09	4.40
\$200,000	.75	36.78	4.87
\$212,500	.83	37.38	5.35
\$225,000	1.00	37.91	5.83
\$237,500	1.11	38.39	6.31
\$250,000	1.20	38.82	6.80
\$262,500	1.28	39.21	7.28
\$275,000	1.36	39.56	7.77
\$287,500	1.43	39.89	8.26
\$300,000	1.50	40.18	8.75
\$312,500	1.60	40.45	9.24
\$325,000	1.69	40.71	9.75
\$337,500	1.77	40.94	10.22
\$350,000	1.85	41.16	10.71
\$362,500	1.93	41.36	11.20
\$375,000	2.00	41.54	11.70
\$387,500	2.06	41.72	12.19
\$400,000	2.12	41.89	12.68
\$412,500	2.18	42.04	13.18
\$425,000	2.23	42.19	13.67
\$437,500	2.28	42.32	14.17
\$450,000	2.33	42.45	14.66
\$462,500	2.37	42.58	15.16
\$475,000	2.42	42.69	15.65
\$487,500	2.46	42.80	16.15
\$500,000	2.50	42.91	16.65
\$512,000	2.56	43.00	17.14
\$525,000	2.61	43.10	17.64
\$537,500	2.67	43.19	18.13
\$550,000	2.72	43.28	18.61
\$1,050,000	4.28	45.05	28.79
\$1,550,000	5.45	45.68	32.41
\$2,050,000	6.29	46.00	34.26
\$2,550,000	7.00	46.19	35.38
\$3,050,000	7.63	46.32	36.14
\$3,550,000	8.23	46.42	36.68
\$4,050,000	8.81	46.49	37.09
\$4,550,000	9.37	46.55	37.41
\$5,050,000	9.83	46.59	37.67
\$5,550,000	10.28	46.63	37.88
\$6,050,000	10.67	46.66	38.05
\$6,550,000	11.07	46.68	38.20
\$7,050,000	11.42	46.71	38.33
\$7,550,000	11.79	46.72	38.44
\$8,050,000	12.11	46.74	38.53
\$8,550,000	12.45	46.76	38.62
\$9,050,000	12.75	46.77	38.70
\$9,550,000	13.07	46.78	38.76
\$10,050,000	13.37	46.79	38.82
\$10,550,000	13.68	46.80	38.88

Ladies and gentlemen of the committee, the above table shows discriminations in taxation probably not paralleled in the history of taxation. It was perhaps not designed and represents only the neglect of the legislative mind. I have heard no justification offered for it. The difference between the dead man's relation to the estate—"It is my capital"—and the living beneficiary's relation to it as acquisition or unearned income need not confuse us. From the point of view of a mind in the coffin, say, the earthbound spirit of the departed, it was his capital. From the point of view of the living recipients it is their income when received just as is the reward of the inventor who awakes from the dreams of the night with an invention that he sells for \$100,000. The dead man's relation and point of view are clearly inapplicable. The Government owes him no duties, and he owes no duties to the Government; both have ceased to exist. New relations and new duties have taken their place. The relations of the living beneficiaries to the values coming to them—initially income for them—and the duties of Government toward them and their duties to it. There can be no property dynasties in contemplation of American law. To project the decedent's relation—"his capital"—beyond his grave and mummify it for the recipients who take the property through the instrumentality of Government is only a

method of erecting dynasties of wealth as belong to the feudal system.

Mr. Chairman, this amendment I have offered provides an exemption of \$50,000. The exemption carried in the law and in the bill is \$100,000. Formerly the exemption was \$50,000, I am told.

The point of application of the 40 per cent or maximum rate in the amendment just read to you is upon a net taxable estate of \$500,000—not \$100,000—after the allowance of an exemption of \$50,000. This distinction in the application of the maximum rates at \$500,000 rather than at \$100,000, as in income taxes, reduces the yield about \$232,000,000.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. JOHNSON of Washington. Does this plan that is outlined provide for a drawback if the estate taxes are assessed by a State or by a Commonwealth?

Mr. LEWIS. The bill is unchanged in that respect. The States would continue to get what they are getting under the current law.

Mr. JOHNSON of Washington. But this is a heavier tax than any heretofore proposed?

Mr. LEWIS. Yes.

Mr. Chairman, reading these rates means nothing until you put them into application, for they are cumulative; that is, 40 rates must be applied to ascertain the real rate; and so I shall ask your attention for just a moment while I give you some examples of these cumulative rates in application to the net estate left by a decedent.

On a net estate of \$100,000 left by a decedent these rates would amount to $1\frac{1}{4}$ per cent only, a rate less than that usually levied on real estate by the local authorities.

On an estate of \$150,000 net the rate comes to 3 per cent.

On an estate of \$200,000 the rate is about 5 per cent.

On an estate of \$250,000 the rate is about 7 per cent.

On an estate of \$350,000 the rate is about 11 per cent.

On an estate of \$450,000 the rate is about $14\frac{1}{2}$ per cent.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. LEWIS. Let me finish this, please.

Mr. EATON of Colorado. I just want the gentleman to accentuate whether that is stepped up or not.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Maryland may be extended 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LEWIS. I have just one more illustration and then I shall answer your question.

On an estate of \$550,000 net the tax comes to 18.1 per cent.

Mr. EATON of Colorado. Is that 18 per cent on the entire \$500,000 or is it stepped up in each one of those places?

Mr. LEWIS. It is stepped up through the incomprehensible forms of rate statement that the draftsman finds necessary in the amendment.

Mr. EATON of Colorado. No; I am referring to what the gentleman is reading now.

Mr. LEWIS. Let me make that plain. If the decedent leaves an estate of \$100,000 net, $1\frac{1}{4}$ per cent will be paid on it. That is the whole payment, and it will amount to \$1,250.

Mr. JOHNSON of Washington. And how much on an estate of \$500,000?

Mr. LEWIS. Eighteen and one-tenth per cent.

Mr. JOHNSON of Washington. Then what does the 40 per cent proposal that was read mean?

Mr. LEWIS. It means nothing until it is combined with the 39 lower rates. You have to employ 39 other rates beside this 40 per cent. This is an actuarial problem, gentlemen, which can not possibly be worked out on the floor. I think that is the reason why the American people have never had a real inheritance tax. [Applause.]

Mr. LINTHICUM and Mr. FREAR rose.

Mr. LEWIS. I yield first to the gentleman from Maryland.

Mr. LINTHICUM. Does this tax apply to the value of the estate when the man dies or the value at the time of the distribution of the estate?

Mr. LEWIS. The gentleman will please ask Judge Cairp that question.

Mr. FREAR. One of the points that is so continually urged in regard to the money that can be raised relates to the British estate tax. How does this compare with the rates at present with respect to British estates, if the gentleman can tell?

Mr. LEWIS. I would rather not go into that subject at this time; it may be necessary later. Let me say in answer to the question—

Mr. BULWINKLE. If the gentleman will permit, are these taxes in addition to the taxes under the existing law of 1926?

Mr. LEWIS. The rates quoted include the present rates.

Mr. BULWINKLE. How much would that be on an estate of \$500,000 with the taxes proposed by the gentleman's amendment and the taxes under existing law?

Mr. RAGON. I do not think the gentleman from Maryland [Mr. Lewis] understood the gentleman's question. Will the gentleman state that question again?

Mr. BULWINKLE. Are the taxes, proposed under the gentleman's amendment in addition to the taxes imposed now under existing law?

Mr. LEWIS. The amendment rates include the present rates.

Mr. BULWINKLE. Then may I ask what would be the combined tax under the gentleman's amendment and under the 1926 law on an estate of \$500,000?

Mr. LEWIS. I can not apply on my feet the many rates of the current law, to answer you, but I can give you a datum from which you can make your own application.

The yield under the current law is \$127,000,000 on aggregate taxable estates of about two and one-third billions, or about 5 per cent. The amendment yields \$609,000,000, that is, an average of about 20 per cent of \$3,000,000,000 of expected estates. The table I have inserted gives the average effective rates on different sizes of estates.

Mr. COCHRAN of Missouri. Is it not true that this is the only way you can redistribute the wealth of this country?

Mr. LEWIS. Well, I would rather not go into that separate question now. The rates are designed for revenue.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. O'CONNOR. What we are anxious to know is this. You have been given the figures and have been asked the question whether these figures you have read are in addition to the already existing estate tax.

Mr. LEWIS. That is correct. The rates include the present rates.

Mr. O'CONNOR. Then, will the gentleman tell us what the whole tax will be under his amendment and the present tax?

Mr. LEWIS. It is very difficult for one to solve these actuarial questions for particular amounts of estates on his feet.

Mr. JOHNSON of Washington. The State drawback amounts to about 80 per cent. We adopted quite a while ago an amendment which coerced the States into passing an inheritance tax in order to keep up with the Joneses, and it amounts to about 80 per cent.

Mr. MONTAGUE. Will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from Virginia.

Mr. MONTAGUE. I would like to ask a factual question. Say a man leaves a hundred thousand dollars estate, what would he pay under both schemes, the present law and your proposed amendment?

Mr. LEWIS. He pays \$1,250 under my amendment, but under the current law, and under the bill as reported, he would pay nothing.

Mr. KVALE. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. KVALE. I asked the gentleman to yield simply to make the statement that the figures set forth in the gentleman's amendment make it a simple matter to compute the actual tax for each bracket.

Mr. LEWIS. That is true at his desk.

Mr. BURTNESS. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. BURTNESS. If I understand the gentleman, the maximum rate under the present law, when it is finally stepped up, is 20 per cent. As I understand the gentleman's proposition, after the step-up, the maximum rate, if adopted, will be 60 per cent under the law.

Mr. LEWIS. The maximum rate of 40 per cent would apply at \$500,000, and at \$500,000 would mean only an 18 per cent rate on the whole.

Mr. BURTNESS. If I understood the gentleman's answer to the gentleman from New York, that would be the result.

Mr. LEWIS. Let me say, first, that the tax under the present law is virtually only a tax for the benefit of the States, for 80 per cent goes back to the States. Out of the yield of \$127,000,000 in 1929, \$102,000,000 goes to the States. Now, it is true that, looking at the draftsman's form of the rate under the bill, a 40 per cent maximum seems to be imposed. That maximum is not reached under the present law until a \$10,000,000 estate is encountered; and then amounts only to 13 per cent, whereas the income tax amounts to 46 per cent. You can see for yourselves that when only \$127,000,000 is realized from some two and a half billions of dollars of estates that the present inheritance law, on an average, brings only about a 5 per cent yield on the total taxable estates. On the actual net estates it is much less.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. SNELL. As I understood the gentleman, he stated that the total amount collected at the present time, to say nothing about rebates to the States, is practically \$127,000,000 a year.

Mr. LEWIS. Yes.

Mr. SNELL. How much will be collected under his proposed amendment, to say nothing about the rebates?

Mr. LEWIS. \$609,000,000.

Mr. SNELL. Then the gentleman is increasing it about five times?

Mr. LEWIS. If the gentleman likes ratio discussions, he perhaps would like to hear some other ratios?

Mr. SNELL. I am asking just for information. It is not a question of what my likings are. I want to know definitely what we are doing.

Mr. LEWIS. I prefer not to argue those matters.

Mr. SNELL. I am trying only to get the facts.

Mr. LEWIS. Very well; we will give the gentleman some more facts while we are at it.

Mr. SNELL. I grant that is correct, \$127,000,000, so that if I am correct on the other computation, in addition to \$127,000,000, the amendment will produce \$611,000,000 more.

Mr. LEWIS. The whole yield expected is about \$609,000,000.

Mr. SNELL. Then it will be about five times what it is at the present time.

Mr. LEWIS. Yes; and I may say that in England the inheritance tax at this time is about six times what it is in the United States, including the States.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. O'CONNOR. Does any part of this \$611,000,000 go back to the States?

Mr. LEWIS. Yes; the same as now.

Mr. O'CONNOR. How does the gentleman expect the States will get their inheritance tax?

Mr. LEWIS. They are already receiving \$102,000,000 a year under the present law, or 80 per cent.

Mr. O'CONNOR. And they will receive none of this \$611,000,000?

Mr. LEWIS. They will receive the same as now.

Mr. VINSON of Kentucky. Referring to the section to which the gentleman offers his amendment, this supertax, the State does not get any portion of it under this bill.

Mr. LEWIS. There is no supertax involved in this amendment.

Mr. VINSON of Kentucky. But under the section which it attempts to supersede.

Mr. LEWIS. Oh, I understand. The committee treatment of this subject is quite the same as my own.

Mr. VINSON of Kentucky. I understood the gentleman to say that it was just \$611,000,000. At the beginning of the debate I understood the gentleman to say that the proposed amendment would yield only \$482,000,000.

Mr. LEWIS. Four hundred and eighty-two million dollars more than the proposal of the committee. The \$127,000,000 under the present law is to be added to this \$482,000,000.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. BRITTEN. I did not understand the gentleman's reply to the question of the gentleman from Missouri [Mr. COCHRAN], in which he said the gentleman's amendment would redistribute the wealth of the country. I thought the gentleman either said yes or that he did not care to argue the question. What was the gentleman's reply?

Mr. LEWIS. I do not recall, but I will answer now. In any measure of taxation, of course, two objectives are likely to be envisaged. The first one, especially in an emergency of the character through which our Treasury is passing, is the revenue objective. That is the only objective I am considering in this amendment. If a social objective were to be taken into account, a much wider and, I must add, a different kind of discussion would be invited. I have confined my effort entirely to the revenue aspect of this matter at this time.

Mr. JOHNSON of Washington. Is not this a problem of such magnitude that what the gentleman called a philosophical or social phase is entitled to be well considered; that is to say, as to whether this proposal will not cause the dissipation of fortunes and destroy the incentive to invest and set back a new country? Those things are entitled to be discussed.

Mr. FREAR. What has been the effect in England? Has it destroyed everything there?

Mr. LEWIS. I leave that question to be answered by the larger wisdom of the membership of this House.

Mr. LANKFORD of Virginia. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. LANKFORD of Virginia. Several times the question has been asked, What will be the total tax, both present and proposed, on an estate of \$500,000?

Mr. LEWIS. I have already stated it would be about 18 per cent.

Mr. CROWTHER. The question that several Members are asking is, What is going to be the amount of the tax on an estate of \$500,000 under the gentleman's proposed amendment and under the present rate?

Mr. LEWIS. Under the present law the rate is 2.5 per cent on the entire net estate.

Mr. BOILEAU. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. BOILEAU. This tax which the gentleman proposes is an addition to the existing law. Is that correct?

Mr. LEWIS. That is true. So is the tax proposed by the committee.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield.

Mr. ALLGOOD. As I understand, the amendment proposed by the gentleman changes the rates from what the gentleman proposed in his first amendment?

Mr. LEWIS. I offered no amendment on Thursday last, but only presented a comparison of the income and estate rates.

Mr. ALLGOOD. So that now only half the revenue will be raised from estates?

Mr. LEWIS. About \$482,000,000 and not \$714,000,000. This amendment will raise something like three-fourths of the revenue that would follow the application of individual income-tax rates to this subject matter.

Mr. ALLGOOD. But the rates on the higher incomes have been reduced by the gentleman's amendment, have they not?

Mr. LEWIS. No.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield.

Mr. STAFFORD. I understand the gentleman's proposal, where the net estate is above \$500,000, is to be 40 per cent, which amount is to be paid exclusively as a superinheritance tax to the National Government. Under the existing law the rate as carried in the 1926 act on estates of \$500,000, allowing \$100,000 exemption, is 4 per cent in that amount between \$200,000 and \$400,000.

Mr. LEWIS. I can not follow your computations on my feet in these circumstances.

Mr. STAFFORD. I was attempting to aid the gentleman in support of his amendment.

Mr. LEWIS. I wish to thank the gentleman and hope he will make a statement to the House. I think his figures are about right.

Mr. FIESINGER. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. FIESINGER. The gentleman has said that this tax will raise \$609,000,000 in the fiscal year 1933. Will it raise any more than that in the fiscal years 1934 and 1935? Will it increase in the coming years?

Mr. LEWIS. It will change only in proportion to the population and the general wealth of the country.

Mr. FIESINGER. Has the gentleman taken into consideration the fact that estates may not be settled up in 1933?

Mr. LEWIS. That circumstance is always involved. It is involved in the present law.

Mr. PARSONS. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. PARSONS. The exemption under the present law is how much?

Mr. LEWIS. One hundred thousand dollars.

Mr. PARSONS. Under the present law it is \$100,000?

Mr. LEWIS. Yes, sir.

Mr. McKEOWN. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. McKEOWN. Does the gentleman contemplate raising the gift-tax rates?

Mr. LEWIS. Yes. When we get to that title the figures will be changed correspondingly.

Mr. BULWINKLE. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. BULWINKLE. The gentleman has been asked the question how much would the total tax be on \$500,000?

Mr. LEWIS. Yes.

Mr. BULWINKLE. It is approximately \$119,750, and on an estate of \$1,000,000 it would be \$349,750, approximately.

Mr. DAVIS. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. DAVIS. With respect to the different inquiries about yields under the present law, I wish to call the attention of the membership to the fact that the gentleman from Maryland [Mr. Lewis] made a speech on Thursday, March 17, in which he inserted those figures in the Record, and they will be found on pages 6342 and 6343 of the Record, in which the gentleman gives the present yield by various different amounts under the present law.

Mr. BOYLAN. Will the gentleman yield?

Mr. LEWIS. I yield.

Mr. BOYLAN. Has the gentleman had the Treasury Department officials or experts make any computation as to the yield under the gentleman's proposed amendment?

Mr. LEWIS. Yes; I have. The estimates given you have been made by the staff of the joint committee on internal-revenue taxation at my request. They are not responsible in any sense for the purpose of the amendment or for the rates, but they have made the computations.

Mr. BOYLAN. Will the gentleman please state the amount that they assumed could be collected under this amendment?

Mr. LEWIS. I have stated it. Under this amendment \$609,000,000 is estimated to be collected.

Now, perhaps the most helpful statement I can make in enabling you to weigh the importance of this levy is a statement by national comparison. The British people, as you know, are some 40,000,000 in number. They are paying 80,000,000 pounds in estate taxes, including the taxes that are imposed on the beneficiaries as well. That comes to about \$10 per capita, or a gross of \$400,000,000, taking the pound at \$5. If we take the rate under the amendment, we should get \$609,000,000 as the gross levy in the United States, with a population about three times as great and with wealth per capita supposed to exceed greatly that of the British people.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. RAGON. Mr. Chairman, I ask unanimous consent that the gentleman have five additional minutes.

Mr. RAMSEYER. Mr. Chairman, I offer a substitute amendment.

Mr. RAGON. I wanted to ask that the gentleman have five additional minutes, Mr. Chairman. This is a very important matter. I ask unanimous consent that the gentleman from Maryland have five additional minutes.

Mr. LEWIS. Mr. Chairman, I am not asking for it. I would rather have an opportunity later in the discussion to meet questions asked.

Mr. ABERNETHY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ABERNETHY. I understand that under the rules of the House under which we are operating there are something like 30 Members of the Ways and Means Committee, and those who are not members of that committee will not be permitted to express themselves.

The CHAIRMAN. The gentleman will please state his parliamentary inquiry.

Mr. ABERNETHY. I am just asking if that is not the rule?

The CHAIRMAN. The House is proceeding under the general rules of the House.

Mr. ABERNETHY. I thank the Chair very much for the information.

Mr. LEWIS. Mr. Chairman, taking advantage of the leave to extend my remarks, I wish to present some data which may aid us in reaching conclusions on this subject. The wealth of the United States, as estimated by the National Industrial Conference Board, during the past decade has been as follows:

Census:	
1920	\$483,783,000,000
1921	311,730,000,000
1922	314,719,000,000
1925	355,678,000,000
1929	355,029,000,000
1930	322,735,000,000

It is the view of public financiers that on the average there is a total turnover of such wealth by death each 30 years, which means that each year there is a turnover of 3.33 per cent. On this basis, and taking the year of 1930, the property passing in 1930 was \$10,733,000,000, while the total taxes collected from this source by both the Government and the States amounted to less than \$245,563,241, or less than 2 1/3 per cent on the national turnover.

Official data on the subject are confined to some 3,798 returns made to the Treasury and reported in Statistics of Income of 1929 at page 46. These account for a gross estate turnover of \$4,108,517,490, or 38 1/3 per cent of the national turnover. From this gross total deductions of about \$1,800,000,000 were made, leaving \$2,376,972,608 subject to taxation, about 58 per cent of the reported and but 22 per cent of the

national turnover. The following are the deductions as reported by the Treasury for the year 1930:

Total gross estate	\$4,108,517,490
Nature of deduction:	
Insurance exemption	54,203,863
Funeral and administrative expenses	166,133,745
Debts, unpaid mortgages, etc.	385,591,176
Property from an estate taxed within 5 years; value at the date of previous decedent's death	94,101,251
Charitable, public, and similar bequests	223,489,533
Specific exemption	876,050,000
Total deductions	1,799,569,568
Net taxable estate	2,376,972,608
Total tax	152,391,240
Tax credit for estate, inheritance, legacy, or succession taxes actually paid to any of the several States, Territories, or District of Columbia ¹	113,388,179
Net tax after deducting tax credit	39,003,061

The whole national turnover is taxed in Great Britain and was £466,466,978 in 1926-27, or \$2,332,334,890 in our money, and about the same gross as here with three times the population. The British figure has since advanced to \$2,900,000,000. From its gross-estate turnover, less than one-third ours, the British collected about \$400,000,000, or about 14 per cent as compared with 2 1/3 per cent here. My amendment contemplates collecting about \$600,000,000, which, considering the gross turnover in the United States, comes to less than one-half the percentage of levy prevailing in the United Kingdom.

FORM OF RATE MISLEADING

Mr. Chairman, the form of the rate employed by the expert draftsmen of the bill and amendments and carried into the discussion defeats an intelligent understanding of the rates proposed. Some of the rate is stated in percentages and some of it in the terms of the gross tax payable. Thus, with regard to estates of \$500,000, we have:

Ninety-two thousand six hundred and twenty-five dollars upon net estates of \$475,000, and upon net estates in excess of \$475,000 and not in excess of \$500,000, 39 per cent in addition of such excess.

One hundred and two thousand three hundred and seventy-five dollars upon net estates of \$500,000, and upon net estates in excess of \$500,000, 40 per cent in addition of such excess.

Nearly 40 of these paragraphs are employed to express the estate tax on an estate of \$10,500,000 under the law or of \$500,000 under the amendment.

It is only too apparent that reading one of these tax paragraphs does not bring to the mind a correct conception of the amount of the rate. Instead a misleading impression is gotten from the partial percentage employed. You would conclude that estates of \$500,000 paid 39 per cent. The actual rate is 18.1 per cent. Meanwhile the gross figure also employed fails to express a percentage at all, and the incongruities of terms and figures leaves one mystified and sends him looking for the specialist who wrote the paragraph as the only person who can surely interpret it aright. The result is that discussion in the House of these rates as found in the bill and the amendments becomes impossible.

CLARIFICATION OF RATE STATEMENT

Mr. Chairman, I am proposing a clarification of this rate schedule so that it will be intelligible. I employ percentages only and propose that the following rate percentages take the place of the rate paragraphs as passed by the House:

[CONGRESSIONAL RECORD, pp. 6661-6662 and 6669-6670]

Schedule, Part I, upon net taxable estates of—

	Per cent
\$25,000 (or less)	1
\$50,000	2
\$75,000	3
\$100,000	4
\$125,000	5
\$150,000	6
\$175,000	7

¹ Limited to 25 per cent of the total tax after the effective date of the revenue act of 1924 (June 2, 1924), and prior to effective date of revenue act of 1926 (Feb. 26, 1926), and to 80 per cent of the total tax after the effective date of the revenue act of 1926.

	Per cent
\$225,000	9
\$250,000	10
\$275,000	11
\$300,000	12
\$325,000	13
\$350,000	14
\$375,000	15
\$400,000	16
\$425,000	17
\$450,000	18
\$475,000	19
\$500,000	20

And on net estates intermediate in amount between the amounts set forth above the tax shall be the percentages given for the amount next below plus one twenty-fifth of 1 per cent for each \$1,000 (or major part of \$1,000) by which the estate exceeds such amount below it in Part I of the schedule.

Schedule Part II upon net taxable estates of—

	Per cent
\$600,000	21
\$700,000	22
\$800,000	23
\$900,000	24
\$1,000,000	25
\$1,100,000	26
\$1,200,000	27
\$1,300,000	28
\$1,400,000	29
\$1,500,000	30
\$1,600,000	31
\$1,700,000	32
\$1,800,000	33
\$1,900,000	34
\$2,000,000	35
\$2,100,000	36
\$2,200,000	37
\$2,300,000	38
\$2,400,000	39
\$2,500,000 and over	40

And on net estates intermediate in amount between the amounts set forth above the tax shall be the percentage given for the amount next below, plus one one-hundredth of 1 per cent for each \$1,000 (or major part of \$1,000) by which the estate exceeds such amount below it in Part II of the schedule.

Mr. Chairman, these are the final rates themselves, as applied to the estates of the amounts enumerated and require no interpretation. If the estate be of some amount not stated, say, of \$110,000, falling in part I of the schedule, the rate will be 4 per cent, plus ten twenty-fifths of 1 per cent, or a total rate of 4.40 per cent. The tax on \$110,000 would be \$110,000 multiplied by 4.40, which equals \$4,840.

Mr. Chairman, it may serve a useful purpose to give a comparison of the effective rates under my and the Ramseyer amendments since it is impracticable to make such a comparison by grading the amendments themselves. I may say that the computations were made by the staff of the Joint Committee on Internal Revenue.

Comparison of rates

Net estate before exemption	Lewis amendment Per cent	Ramseyer amendment Per cent
\$25,000	0.20	0.24
\$50,000	.50	.64
\$75,000	.85	1.02
\$100,000	1.25	1.50
\$112,000	1.66	2.11
\$125,000	1.81	2.60
\$137,500	2.54	3.00
\$150,000	3.00	3.33
\$162,500	3.46	3.76
\$175,000	3.92	4.14
\$187,500	4.40	4.46
\$200,000	4.87	4.75
\$212,500	5.35	5.00
\$225,000	5.83	5.22
\$237,500	6.31	5.43
\$250,000	6.80	5.60
\$262,500	7.28	5.85
\$275,000	7.77	6.00
\$287,500	8.26	6.30
\$300,000	8.75	6.50
\$312,500	9.24	6.68
\$325,000	9.75	6.84
\$337,500	10.22	7.00
\$350,000	10.71	7.14
\$362,500	11.20	7.27
\$375,000	11.70	7.40
\$387,500	12.19	7.51
\$400,000	12.68	7.62
\$412,500	13.18	7.72
\$425,000	13.67	7.82
\$437,500	14.17	7.91
\$450,000	14.66	8.00
\$462,500	15.16	8.13

Comparison of rates—Continued

Net estate before exemption	Lewis amendment	Ramseyer amendment
	Per cent	Per cent
\$475,000	15.65	8.26
\$487,500	16.15	8.38
\$500,000	16.65	8.50
\$512,500	17.14	8.60
\$525,000	17.64	8.71
\$537,500	18.13	8.81
\$550,000	18.61	8.90
\$1,050,000	28.79	12.00
\$1,550,000	32.41	14.25
\$2,050,000	34.26	15.90
\$2,550,000	35.38	17.29
\$3,050,000	36.14	18.55
\$3,550,000	36.68	19.74
\$4,050,000	37.09	20.88
\$4,550,000	37.41	22.00
\$5,050,000	37.67	23.03
\$5,550,000	37.88	24.16
\$6,050,000	38.05	25.05
\$6,550,000	38.20	24.44

Comparison of rates—Continued

Net estate before exemption	Lewis amendment	Ramseyer amendment
	Per cent	Per cent
\$7,050,000	38.33	25.75
\$7,550,000	38.44	27.56
\$8,050,000	38.53	28.27
\$8,550,000	38.62	29.01
\$9,050,000	38.70	29.67
\$9,550,000	38.76	30.37
\$10,050,000	38.82	31.00
\$10,550,000	38.88	31.66

Mr. Chairman, with these two amendments and the rates clearly before us, our next inquiry will be, What is the comparative revenue yield under each amendment? Again I present a table giving the computations of the staff of the Joint Committee on Internal Revenue:

Estate tax—Comparison of yield, under 1926 act, Lewis amendment and Ramseyer amendment

Average net estate before exemption ¹	Estimated number of estates before tax returns	Estimated total net estates before exemptions	1926 act		Lewis amendment—additional		Ramseyer amendment—additional	
			Average tax	Yield	Average tax	Yield	Average tax	Yield
\$70,000	7,500	\$525,000,000			\$275	\$2,062,500	\$300	\$2,250,000
\$120,000	1,835	220,200,000	\$200	\$367,000	2,125	3,899,375	2,700	4,954,500
\$170,000	850	144,500,000	900	765,000	5,475	4,653,750	5,900	5,015,000
\$240,000	675	234,000,000	2,700	2,632,500	12,700	12,383,500	10,400	10,140,000
\$380,000	755	286,900,000	7,700	5,813,500	37,525	28,331,375	20,600	16,308,000
\$700,000	658	460,600,000	22,500	14,805,000	139,875	92,037,750	47,000	30,925,000
\$1,200,000	205	246,000,000	56,500	11,582,500	305,875	62,704,375	98,000	20,090,000
\$1,700,000	108	183,600,000	97,500	10,530,000	464,875	50,206,500	155,000	16,740,000
\$2,200,000	64	140,800,000	143,500	9,184,000	618,875	39,608,000	217,000	13,888,000
\$2,700,000	37	99,900,000	194,500	7,196,500	767,875	28,411,375	284,000	10,508,000
\$3,200,000	14	44,800,000	250,500	3,507,000	911,875	12,766,250	356,000	4,984,000
\$3,700,000	16	59,200,000	311,500	4,984,000	1,050,875	16,814,000	433,000	6,928,000
\$4,400,000	23	101,200,000	405,500	9,326,500	1,236,875	28,448,125	549,000	12,627,000
\$5,400,000	12	64,800,000	548,500	6,582,000	1,493,875	17,926,500	740,000	8,880,000
\$6,400,000	8	51,200,000	701,500	5,612,000	1,740,875	13,927,000	944,000	7,552,000
\$7,400,000	7	51,800,000	864,500	6,051,500	1,977,875	11,867,250	1,158,000	8,106,000
\$8,400,000	5	42,000,000	1,037,500	5,187,500	2,204,875	11,024,375	1,382,000	6,910,000
\$9,400,000	2	18,800,000	1,220,500	2,441,000	2,421,875	4,843,750	1,616,000	3,232,000
\$10,000,000	15	150,000,000	1,413,500	21,202,500	2,628,875	39,433,125	1,860,000	27,900,000
Total		3,131,300,000		127,770,000		481,347,875		217,933,500
Yield under 1926 act				127,770,000		127,770,000		127,770,000
Total tax paid by estates				127,770,000		609,124,875		345,708,500
Less credit for States' 80 per cent of 1926 tax				102,216,000		102,216,000		102,216,000
Tax for Federal Government				25,554,000		506,908,875		243,492,500

¹ Exemptions: Under 1926 act, \$100,000; under Lewis amendment, \$50,000; under Ramseyer amendment, \$50,000.

It appears, Mr. Chairman, that assuming the conditions of the basic wealth turnover of \$3,131,300,000 in 1930, the yield would be:

Present law	\$127,770,000
Ramseyer amendment	345,708,500
Lewis amendment	609,124,875

In effect the Ramseyer amendment, the assumed conditions obtaining, would increase the revenue by \$217,933,500, while the Lewis amendment would increase the revenue by \$481,354,875. Of the need of the greater revenue there, unhappily, is no doubt. Of the relative justice of these amendments, I shall leave that question to other judges.

Mr. Chairman, I wish to thank the House for the exceptional indulgence it has shown me in presenting a subject so tedious in its statistical aspects.

In conclusion I am inserting data on the estate taxes levied in the United Kingdom, France, and Germany compiled by the Legislative Reference Service of the Library of Congress, also the amendment on estate taxation which has been the subject of this discussion.

RATES OF AND REVENUE DERIVED FROM DEATH DUTIES IN GREAT BRITAIN, FRANCE, AND GERMANY

GREAT BRITAIN

The inheritance duties or death duties are seven in number, of which three only are payable in connection with deaths occurring at the present time, namely:

(a) The estate duty, a duty payable with reference to the passing of property on death; and

(b) The legacy duty and the succession duty, each of which is a duty payable with reference to the acquisition of property by beneficiaries.

1. Estate duty—scope

The estate duty is an ad valorem graduated tax leviable upon the net principal value of all property situate in Great Britain which passes upon the death of any individual.

RATES

Small estates, of a gross value of £300 or less, fixed duty (including all other death duties), 30 shillings.

Between £300 and £500, fixed duty (including all other death duties), 50 shillings.

Rate (per cent) of duty when death occurred after August 1, 1930, where the net principal value of the estate is between (in pounds sterling)—

100 and 500	1
500 and 1,000	2
1,000 and 5,000	3
5,000 and 10,000	4
10,000 and 12,500	5
12,000 and 15,000	6
15,000 and 18,000	7
18,000 and 21,000	8
21,000 and 25,000	9
25,000 and 30,000	10
30,000 and 35,000	11
35,000 and 40,000	12
40,000 and 45,000	13
45,000 and 50,000	14
50,000 and 55,000	15
55,000 and 65,000	16
65,000 and 75,000	17
75,000 and 85,000	18
85,000 and 100,000	19

100,000 and 120,000	20
120,000 and 150,000	22
150,000 and 200,000	24
200,000 and 250,000	26
250,000 and 300,000	28
300,000 and 400,000	30
400,000 and 500,000	32
500,000 and 600,000	34
600,000 and 800,000	36
800,000 and 1,000,000	38
1,000,000 and 1,250,000	40
1,250,000 and 1,500,000	42
1,500,000 and 2,000,000	45
Over 2,000,000	50

Where estate duty has become payable on any property consisting of land or a business (other than a business carried on by a company) or any interest in land or such a business, and estate duty comes payable again within five years by reason of passing on the death of the person to whom the property passed on the first death, the estate duty payable on the second death in respect of that property is to be reduced as follows:

Where second death occurs within—	Per cent
1 year of first death by	50
2 years of first death by	40
3 years of first death by	30
4 years of first death by	20
5 years of first death by	10

but where the value of the property on the second death exceeds the value on which duty was payable on the first death, the latter value shall be substituted for the former for the purpose of calculating the duty on which the reduction is to be calculated. (Finance act, 1914, sec. 15.)

II. Legacy duty and succession duty—Scope

Legacy duty is a tax upon personal property under wills or intestacies.

Succession duty is chargeable under every transfer on death by which a person becomes gratuitously entitled to property.

Rates

Relationship of the beneficiary (or of the person of nearer consanguinity whom he or she has married) to the author of the bounty:

I. Rates of inheritance tax (Droits de mutation par décès)

[Rates applicable to the fraction of the net share from]

Degree of relationship	1 to 10,000 francs	10,001 to 50,000 francs	50,001 to 100,000 francs	100,001 to 250,000 francs	250,001 to 500,000 francs	500,001 to 1,000,000 francs	1,000,001 to 2,000,000 francs	2,000,001 to 5,000,000 francs	5,000,001 to 10,000,000 francs	10,000,001 to 50,000,000 francs	Over 50,000,000 francs
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Lineal descendant to first degree	1.20	2.40	3.60	4.80	6.60	9.00	10.20	11.40	12.60	13.80	15.00
Lineal descendant to second degree and between husband and wife	2.40	3.60	4.80	6.00	7.80	9.60	10.80	12.00	13.20	14.40	15.60
Lineal descendant beyond second degree	4.20	5.40	6.60	7.80	9.00	10.20	11.40	12.60	13.80	15.00	16.20
Lineal ascendant to first degree	4.80	6.00	7.20	8.40	9.60	10.80	12.00	13.20	14.40	15.60	16.80
Lineal ascendant to second degree and beyond	5.40	6.60	7.80	9.00	10.20	11.40	12.60	13.80	15.00	16.20	17.40
Between brothers and sisters	14.40	16.80	19.20	21.60	24.00	26.40	28.80	31.20	33.60	36.00	38.40
Between uncles, aunts, nephews, and nieces	20.40	22.80	25.20	27.60	30.00	32.40	34.80	37.20	39.60	42.00	44.40
Between great-uncles or grandaunts and grandnephews or grandnieces and first cousins	26.40	28.80	31.20	33.60	36.00	38.40	40.80	43.20	45.60	48.00	50.40
Between relatives beyond the fourth degree and between persons not related	32.40	34.80	37.20	39.60	42.00	44.40	46.80	49.20	51.60	54.00	56.40

II. Estate tax (taxe successorale)

Fraction of value of estate included between—	Number of children, living or survived by issue, left by decedent	One	None
		Per cent	Per cent
1 and 2,000		1.20	3.60
2,001 and 40,000		2.40	7.20
40,001 and 50,000		3.60	10.80
50,001 and 100,000		4.80	14.40
100,001 and 250,000		6.00	18.00
250,001 and 500,000		7.80	21.60
500,001 and 1,000,000		9.60	25.20
1,000,001 and 2,000,000		14.40	28.80
2,000,001 and 5,000,000		16.20	32.40
5,000,001 and 10,000,000		18.00	36.00
10,000,001 and 50,000,000		19.80	39.60
50,000,001 and 100,000,000		21.60	43.20
100,000,001 and 500,000,000		24.00	46.80
Over 500,000,000		25.20	48.00

	Rate of duty per cent
Husband or wife, child or lineal descendant of child, father or mother or any lineal ancestor	1
Brother or sister, lineal descendant of brother or sister	5
Any other person, including any related only by natural ties	10

III. Revenue derived from death duties

Fiscal year	Estate duty	Legacy and succession duties	Total death duties
1916-17	£25,097,630	£6,094,516	£31,192,146
1917-18	25,742,554	5,992,944	31,735,498
1918-19	25,143,566	5,656,455	30,800,021
1919-20	36,637,708	6,122,269	42,759,977
1920-21	40,613,627	6,567,454	47,181,081
1921-22	45,145,725	7,375,262	52,520,987
1922-23	48,463,487	8,031,180	56,494,667
1923-24	49,804,961	7,751,866	57,556,827
1924-25	50,514,243	8,403,046	58,917,289
1925-26	52,861,205	8,469,195	61,330,400
1926-27	59,080,239	8,345,552	67,425,791
1927-28	68,621,349	8,263,275	76,884,624
1928-29	72,231,460	8,703,153	80,934,613
1929-30	69,548,208	9,557,719	79,106,027

FRANCE

Death duties are of two kinds, an inheritance tax on the net estate of the deceased (Droits de mutation par décès) and a succession or estate duty (taxe successorale). There is also levied a tax on gifts inter vivos (mutations entre vifs à titre gratuit).

1. Tax on transfers at death

The principal tax on transfers at death of real or personal property is an inheritance tax payable on the net share received by each person.

2. Succession or estate duty

In all successions in which the deceased does not leave two children, either living or represented, a progressive tax on the net total capital of the estate is due in addition to the death duties. This tax is a superimposition with the object of putting heavier charges on bequests in small families.

In contrast to the death duties, succession duty does not depend upon the degree of relationship and is not payable on the hereditary share but on successive portions of the net total capital of the succession.

III. Tax on gifts inter vivos (mutations entre vifs à titre gratuit) according to degree of relationship

In direct descending line:	Per cent
Gifts distributed in accordance with sections 1075 and 1076 of the Civil Code ¹ by the father and mother, and other ascendants, among their children if they are living or survived by issue—	
More than two children	3.00
Two children	5.40
The descendants of an only child	7.80
Gifts by marriage contract ² to descendants—	
More than two children living or survived by issue	4.20
Two children living or survived by issue	5.40
One child living or survived by issue	6.60

¹ Permits ascendants to distribute their present property among descendants by gifts inter vivos.

² Sec. 1082 of the Civil Code permits this form of gift which may include all the property left by the donor at death. Such gifts, as well as all others made at marriage, must be embodied in the marriage contract in order to partake of the privileged character of marriage gifts under French law.

In direct descending line—Continued.		Per cent
Other gifts—		
More than two children living or survived by issue	6.60	
Two children living or survived by issue	9.00	
One child living or survived by issue	11.40	
In direct ascending line		11.40
Between husband and wife:		
By marriage contract	5.40	
Otherwise—		
More than two children living or survived by issue	6.60	
Two children living or survived by issue	9.00	
One child living or survived by issue	11.40	
No children	13.80	
Between brothers and sisters:		
By marriage contract	18.00	
Otherwise	30.00	
Between uncles or aunts, and nephews and nieces:		
By marriage contract	24.00	
Otherwise	36.00	
Between great-uncles or great-aunts, and grandnephews or great-nieces, and between cousins:		
By marriage contract	30.00	
Otherwise	42.00	
Between relatives more distant than the fourth degree and between nonrelatives:		
By marriage contract	36.00	
Otherwise	48.00	

Gifts inter vivos made to public establishments other than charitable institutions or hospitals are taxed at the special rate of 21.60 per cent. However, gifts and legacies made to departments or communes for the special benefit of charitable, etc., institutions are taxed at the rate of 10.80 per cent.

Gifts and legacies made to departments, communes, or public establishments other than those to which the rate of 10.80 per cent applies are taxed at the following rates:

Rate applicable to the net share taken between—	Per cent
1 and 2,000 francs	21.60
2,001 and 10,000 francs	22.80

Rate applicable to the net share taken between—Con.		Per cent
10,001 and 50,000 francs	24.00	
50,001 and 100,000 francs	25.20	
100,001 and 250,000 francs	26.40	
250,001 and 500,000 francs	27.60	
500,001 and 1,000,000 francs	28.80	
1,000,001 and 2,000,000 francs	30.00	
2,000,001 and 5,000,000 francs	31.20	
5,000,001 and 10,000,000 francs	32.40	
10,000,001 and 50,000,000 francs	33.60	
Over 50,000,000 francs	34.80	

IV. Net receipts derived from the death duties

Year	Inheritance and estate taxes	Gift tax
	Francs	Francs
1924	1,399,352,000	143,839,000
1925	1,450,781,000	156,575,000
1926	1,653,202,000	161,525,000
1927	1,940,449,518	139,714,000
1928	2,179,291,976	152,839,000
1929	2,727,059,210	1205,744,000
1930	2,389,795,966	145,935,000
1931	2,220,851,371	

¹ 15-month period, Jan. 1, 1929–Mar. 31, 1930.

² Fiscal year ended Mar. 31, 1931.

GERMANY

The German death duties include a tax on inheritance, gifts inter vivos, and gifts restricted by special conditions.

1. Tax on inheritances

This tax is imposed on the individual share received by the heir, at rates graduated according to the amount, and according to the degree of relationship to the decedent.

2. Tax on gifts inter vivos

This tax is imposed on gifts between the living and is due by the donor as of the date of transfer of the gift.

Rates

[Rate applicable to the fraction of the net share taken between]

Class	Degree of relationship	1,000-10,000 marks	10,000-20,000 marks	20,000-30,000 marks	30,000-40,000 marks	40,000-50,000 marks	50,000-100,000 marks	100,000-150,000 marks	150,000-200,000 marks	200,000-300,000 marks	300,000-400,000 marks	400,000-500,000 marks
I	Husband and wife, ¹ children, adopted children, stepchildren, and illegitimate children having the legal position of legitimate children or recognized by the father	Per cent 2	Per cent 2.5	Per cent 3	Per cent 3.5	Per cent 4	Per cent 4.5	Per cent 5	Per cent 5.5	Per cent 6	Per cent 6.5	Per cent 7
II	Descendants of above, except husband and wife; descendants of adopted children only if terms of adoption extend to descendants	4	5	6	7	8	9	10	11	12	13	14
III	Parents, stepfather, stepmother, brothers, sisters, and half brothers and sisters	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21
IV	Grandparents, and more remote ancestors, descendants in the first degree of brothers and sisters, father-in-law, mother-in-law, sons-in-law, daughters-in-law	8	10	12	14	16	18	20	22	24	26	28
V	All others not specially provided for	14	16	18	20	22	24	26	28	30	32	34

Class	Degree of relationship	500,000-600,000 marks	600,000-700,000 marks	700,000-800,000 marks	800,000-900,000 marks	900,000-1,000,000 marks	1,000,000-2,000,000 marks	2,000,000-4,000,000 marks	4,000,000-6,000,000 marks	6,000,000-8,000,000 marks	8,000,000-10,000,000 marks	Over 10,000,000 marks
I	Husband and wife, ¹ children, adopted children, stepchildren, and illegitimate children having the legal position of legitimate children or recognized by the father	Per cent 7.5	Per cent 8	Per cent 8.5	Per cent 9	Per cent 9.5	Per cent 10	Per cent 11	Per cent 12	Per cent 13	Per cent 14	Per cent 15
II	Descendants of above, except husband and wife; descendants of adopted children only if terms of adoption extend to descendants	15	16	17	18	19	20	21	22	23	24	25
III	Parents, stepfather, stepmother, brothers, sisters, and half brothers and sisters	22.5	24	25.5	27	28.5	30	32	34	36	38	40
IV	Grandparents, and more remote ancestors, descendants in the first degree of brothers and sisters, father-in-law, mother-in-law, sons-in-law, daughters-in-law	30	32	34	36	38	40	42	44	46	48	50
V	All others not specially provided for	36	38	40	42	44	46	48	51	54	57	60

¹ Husband and wife are exempt from tax, if, when the tax falls due, there are living: (a) Children; (b) persons in legal position of legitimate children; (c) adopted children; (d) or descendants of (a) and (b); descendants of (c), if terms of adoption extended to descendants.

NOTE.—If persons in Class I or II acquire by right of succession from persons in the same class, property which was divided by reason of decease within the past 5 years and on which the tax was paid in conformity with the present law, the tax on the said property shall be reduced by half; the tax shall be reduced by one-fourth if the division took place between 5 and 10 years.

Net receipts from death duties

	Reichsmarks
1925-26	27,259,630
1926-27	34,602,292
1927-28	71,900,000
1928-29	73,531,561
1929-30	82,200,000
1930-31	79,000,000

ures expressing the rates. The attention of the nonexpert is invited to the lack of clarity and misleading characteristics of the forms used.

Mr. Chairman, I offer an amendment.

Mr. LEWIS. The form of the Ramseyer amendment is the same as the amendment which follows except as to the fig-

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Lewis: Page 189, strike out lines 8 to 14, both inclusive, and in lieu thereof insert the following:

"(a) In addition to the estate tax imposed by section 301 (a) of the revenue act of 1926, there is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States, an additional tax equal to the excess of—

"(1) The amount of a tentative tax computed under subsection (b) of this section over

"(2) The amount of the tax imposed by section 301 (a) of the revenue act of 1926, computed without regard to the provisions of this title.

"(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"Upon net estates not in excess of \$12,500, 1 per cent.

"\$125 upon net estates of \$12,500; and upon net estates in excess of \$12,500 and not in excess of \$25,000, 2 per cent in addition of such excess.

"\$375 upon net estates of \$25,000; and upon net estates in excess of \$25,000 and not in excess of \$37,500, 3 per cent in addition of such excess.

"\$750 upon net estates of \$37,500; and upon net estates in excess of \$37,500 and not in excess of \$50,000, 4 per cent in addition of such excess.

"\$1,250 upon net estates of \$50,000; and upon net estates in excess of \$50,000 and not in excess of \$62,500, 5 per cent in addition of such excess.

"\$1,875 upon net estates of \$62,500; and upon net estates in excess of \$62,500 and not in excess of \$75,000, 6 per cent in addition of such excess.

"\$2,265 upon net estates of \$75,000; and upon net estates in excess of \$75,000 and not in excess of \$87,500, 7 per cent in addition of such excess.

"\$3,500 upon net estates of \$87,500; and upon net estates in excess of \$87,500 and not in excess of \$100,000, 8 per cent in addition of such excess.

"\$4,500 upon net estates of \$100,000; and upon net estates in excess of \$100,000 and not in excess of \$112,500, 9 per cent in addition of such excess.

"\$5,625 upon net estates of \$112,500; and upon net estates in excess of \$112,500 and not in excess of \$125,000, 10 per cent in addition of such excess.

"\$6,875 upon net estates of \$125,000; and upon net estates in excess of \$125,000 and not in excess of \$137,500, 11 per cent in addition of such excess.

"\$8,250 upon net estates of \$137,500; and upon net estates in excess of \$137,500 and not in excess of \$150,000, 12 per cent in addition of such excess.

"\$9,750 upon net estates of \$150,000; and upon net estates in excess of \$150,000 and not in excess of \$162,500, 13 per cent in addition of such excess.

"\$11,375 upon net estates of \$162,500; and upon net estates in excess of \$162,500 and not in excess of \$175,000, 14 per cent in addition of such excess.

"\$13,125 upon net estates of \$175,000; and upon net estates in excess of \$175,000 and not in excess of \$187,500, 15 per cent in addition of such excess.

"\$15,000 upon net estates of \$187,500; and upon net estates in excess of \$187,500 and not in excess of \$200,000, 16 per cent in addition of such excess.

"\$17,000 upon net estates of \$200,000; and upon net estates in excess of \$200,000 and not in excess of \$212,500, 17 per cent in addition of such excess.

"\$19,125 upon net estates of \$212,500; and upon net estates in excess of \$212,500 and not in excess of \$225,000, 18 per cent in addition of such excess.

"\$21,375 upon net estates of \$225,000; and upon net estates in excess of \$225,000 and not in excess of \$237,500, 19 per cent in addition of such excess.

"\$23,750 upon net estates of \$237,500; and upon net estates in excess of \$237,500 and not in excess of \$250,000, 20 per cent in addition of such excess.

"\$26,500 upon net estates of \$250,000; and upon net estates in excess of \$250,000 and not in excess of \$262,500, 21 per cent in addition of such excess.

"\$28,875 upon net estates of \$262,500; and upon net estates in excess of \$262,500 and not in excess of \$275,000, 22 per cent in addition of such excess.

"\$31,625 upon net estates of \$275,000; and upon net estates in excess of \$275,000 and not in excess of \$287,500, 23 per cent in addition of such excess.

"\$34,500 upon net estates of \$287,500; and upon net estates in excess of \$287,500 and not in excess of \$300,000, 24 per cent in addition of such excess.

"\$37,500 upon net estates of \$300,000; and upon net estates in excess of \$300,000 and not in excess of \$312,500, 25 per cent in addition of such excess.

"\$40,625 upon net estates of \$312,500; and upon net estates in excess of \$312,500 and not in excess of \$325,000, 26 per cent in addition of such excess.

"\$43,875 upon net estates of \$325,000; and upon net estates in excess of \$325,000 and not in excess of \$337,500, 27 per cent in addition of such excess.

"\$47,250 upon net estates of \$337,500; and upon net estates in excess of \$337,500 and not in excess of \$350,000, 28 per cent in addition of such excess.

"\$50,750 upon net estates of \$350,000; and upon net estates in excess of \$350,000 and not in excess of \$362,500, 29 per cent in addition of such excess.

"\$54,375 upon net estates of \$362,500; and upon net estates in excess of \$362,500 and not in excess of \$375,000, 30 per cent in addition of such excess.

"\$58,125 upon net estates of \$375,000; and upon net estates in excess of \$375,000 and not in excess of \$387,500, 31 per cent in addition of such excess.

"\$62,000 upon net estates of \$387,500; and upon net estates in excess of \$387,500 and not in excess of \$400,000, 32 per cent in addition of such excess.

"\$66,000 upon net estates of \$400,000; and upon net estates in excess of \$400,000 and not in excess of \$412,500, 33 per cent in addition of such excess.

"\$70,125 upon net estates of \$412,500; and upon net estates in excess of \$412,500 and not in excess of \$425,000, 34 per cent in addition of such excess.

"\$74,375 upon net estates of \$425,000; and upon net estates in excess of \$425,000 and not in excess of \$437,500, 35 per cent in addition of such excess.

"\$78,500 upon net estates of \$437,500; and upon net estates in excess of \$437,500 and not in excess of \$450,000, 36 per cent in addition of such excess.

"\$83,250 upon net estates of \$450,000; and upon net estates in excess of \$450,000 and not in excess of \$462,500, 37 per cent in addition of such excess.

"\$87,875 upon net estates of \$462,500; and upon net estates in excess of \$462,500 and not in excess of \$475,000, 38 per cent.

"\$92,625 upon net estates of \$475,000; and upon net estates in excess of \$475,000 and not in excess of \$500,000, 39 per cent in addition of such excess.

"\$102,375 upon net estates of \$500,000; and upon net estates in excess of \$500,000, 40 per cent in addition of such excess.

"(c) For the purposes of this section the value of the net estate shall be determined as provided in Title III of the revenue act of 1926, as amended, except that in lieu of the exemption of \$100,000 provided in section 303 (a) (4) of such act, the exemption shall be \$50,000."

Mr. RAMSEYER. Mr. Chairman, I offer a substitute.

The CHAIRMAN. The gentleman from Iowa offers a substitute, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. RAMSEYER for the Lewis amendment: Page 189, strike out lines 8 to 14, both inclusive, and in lieu thereof insert the following:

"(a) In addition to the estate tax imposed by section 301 (a) of the revenue act of 1926, there is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States, an additional tax equal to the excess of—

"(1) The amount of a tentative tax computed under subsection (b) of this section, over

"(2) The amount of the tax imposed by section 301 (a) of the revenue act of 1926, computed without regard to the provisions of this title.

"(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"Upon net estates not in excess of \$10,000, 1 per cent.

"\$100 upon net estates of \$10,000; and upon net estates in excess of \$10,000 and not in excess of \$20,000, 2 per cent in addition of such excess.

"\$300 upon net estates of \$20,000; and upon net estates in excess of \$20,000 and not in excess of \$30,000, 3 per cent in addition of such excess.

"\$600 upon net estates of \$30,000; and upon net estates in excess of \$30,000 and not in excess of \$40,000, 4 per cent in addition of such excess.

"\$1,000 upon net estates of \$40,000; and upon net estates in excess of \$40,000 and not in excess of \$50,000, 5 per cent in addition of such excess.

"\$1,500 upon net estates of \$50,000; and upon net estates in excess of \$50,000 and not in excess of \$100,000, 7 per cent in addition of such excess.

"\$5,000 upon net estates of \$100,000; and upon net estates in excess of \$100,000 and not in excess of \$200,000, 9 per cent in addition of such excess.

"\$14,000 upon net estates of \$200,000; and upon net estates in excess of \$200,000 and not in excess of \$400,000, 11 per cent in addition of such excess.

"\$36,000 upon net estates of \$400,000; and upon net estates in excess of \$400,000 and not in excess of \$600,000, 13 per cent in addition of such excess.

"\$62,000 upon net estates of \$600,000; and upon net estates in excess of \$600,000 and not in excess of \$800,000, 15 per cent in addition of such excess.

"\$92,000 upon net estates of \$800,000; and upon net estates in excess of \$800,000 and not in excess of \$1,000,000, 17 per cent in addition of such excess.

"\$126,000 upon net estates of \$1,000,000; and upon net estates in excess of \$1,000,000 and not in excess of \$1,500,000, 19 per cent in addition of such excess.

"\$221,000 upon net estates of \$1,500,000; and upon net estates in excess of \$1,500,000 and not in excess of \$2,000,000, 21 per cent in addition of such excess.

"\$326,000 upon net estates of \$2,000,000; and upon net estates in excess of \$2,000,000 and not in excess of \$2,500,000, 23 per cent in addition of such excess.

"\$441,000 upon net estates of \$2,500,000; and upon net estates in excess of \$2,500,000 and not in excess of \$3,000,000, 25 per cent in addition of such excess.

"\$566,000 upon net estates of \$3,000,000; and upon net estates in excess of \$3,000,000 and not in excess of \$3,500,000, 27 per cent in addition of such excess.

"\$701,000 upon net estates of \$3,500,000; and upon net estates in excess of \$3,500,000 and not in excess of \$4,000,000, 29 per cent in addition of such excess.

"\$846,000 upon net estates of \$4,000,000; and upon net estates in excess of \$4,000,000 and not in excess of \$4,500,000, 31 per cent in addition of such excess.

"\$1,001,000 upon net estates of \$4,500,000; and upon net estates in excess of \$4,500,000 and not in excess of \$5,000,000, 33 per cent in addition of such excess.

"\$1,166,000 upon net estates of \$5,000,000; and upon net estates in excess of \$5,000,000 and not in excess of \$6,000,000, 35 per cent in addition of such excess.

"\$1,516,000 upon net estates of \$6,000,000; and upon net estates in excess of \$6,000,000 and not in excess of \$7,000,000, 37 per cent in addition of such excess.

"\$1,886,000 upon net estates of \$7,000,000; and upon net estates in excess of \$7,000,000 and not in excess of \$8,000,000, 39 per cent in addition of such excess.

"\$2,276,000 upon net estates of \$8,000,000; and upon net estates in excess of \$8,000,000 and not in excess of \$9,000,000, 41 per cent in addition of such excess.

"\$2,686,000 upon net estates of \$9,000,000; and upon net estates in excess of \$9,000,000 and not in excess of \$10,000,000, 43 per cent in addition of such excess.

"\$3,116,000 upon net estates of \$10,000,000; and upon net estates in excess of \$10,000,000, in addition 45 per cent of such excess.

"(c) For the purposes of this section, the value of the net estate shall be determined as provided in Title III of the revenue act of 1926, as amended, except that in lieu of the exemption of \$100,000 provided in section 303 (a) (4) of such act, the exemption shall be \$50,000."

Mr. RAMSEYER. Mr. Chairman, this is a very important subject. It is a little difficult to speak under the 5-minute rule, and in order to have time to explain just what the situation is and to use the blackboard before us, I ask unanimous consent that I may proceed for 20 minutes.

The CHAIRMAN (Mr. BLAND). The gentleman from Iowa asks unanimous consent to proceed for 20 minutes. Is there objection?

There was no objection.

Mr. RAMSEYER. Mr. Chairman, I have been in this estate-tax fight ever since the war. I have urged increases in this form of taxation. I have never urged confiscatory rates, but I have insisted on rates that would be productive of revenue.

I never thought I would live to see the day when I would have to get up on the floor of the House and advise caution against unreasonable increases in estate tax rates. There is such a thing as going to excess on anything. If you go to excess now you get a reaction later.

I was through the fight in 1924, when we increased the estate-tax rates. The country at that time was not prepared for those increases, with the result that when the revenue bill was up in 1926 we almost lost the estate tax altogether.

To make the estate tax productive of revenue—and I want to see this source of revenue more productive than it now is—you have got to develop it gradually. The British probably have had more success with the development of estate taxes and making them productive of revenue than any other people.

Before I go further I wish to say for your information that the amendment which I offered is printed in the CONGRESSIONAL RECORD for March 12 and can be found on page 5897. I hope to proceed for a while without interruption and after that I will gladly yield for relevant questions.

The British started in on estate taxes a good while before the war. The British brackets notwithstanding many changes and increases in rates are much the same now as they were in 1894.

In 1894 their estate-tax rates ran from 1 per cent in the first bracket over the exemption to 8 per cent in the bracket of \$10,000,000 and over. The next time they amended these rates was in 1907. They took the same brackets they had and increased the rates. They ran from 1 per cent to 15 per cent. In 1909 they again increased their estate-tax rates. They adopted the same brackets and they ran from 1 per cent to 15 per cent, increasing more in between. In 1914 they revised the estate taxes upward, from 1 per cent to 20 per cent. In 1919, with the same brackets, they went from 1 per cent to 40 per cent. In 1925 they again revised their estate-tax rates, retaining the same brackets, and their brackets are a good deal the same as our brackets. They increased the rates between the minimum and the maximum. In 1930—that is, two years ago—sticking to the same brackets, they increased the rate from 1 per cent to 50 per cent; that is, the maximum British rate now is 50 per cent on that part of an estate over \$10,000,000. The minimum is 1 per cent. The British only have an exemption of £100, or about \$500. Then they start with 1 per cent.

Now, under our existing law we have an exemption of \$100,000. Under the law prior to 1926 our exemption was \$50,000. In the substitute I offer I go back to the \$50,000 exemption and then graduate the rates from 1 per cent on the first \$10,000 over the \$50,000 exemption to 45 per cent upon the net estate in excess of \$10,000,000.

I want to give you a picture of how the rates run under the present law. Here is the base line [illustrating on black board] and over here you will see is \$10,000,000. That is the top bracket. Our present law runs from 1 per cent to 20 per cent, and the rates run up gradually like that [indicating]. Under our income tax law our rates swing upward more and then go out horizontally.

The committee proposes to double the rates in the present bill and they start with 2 per cent. The line has a gradual upward trend. This is 20 per cent maximum and this is 40 per cent maximum carried in the bill [indicating].

The rates I propose are more along the line of the British rates; that is, there is an upward curve so as to impose a little more weight on the intermediate estates, because there is where you have the large volume of property that devolves on account of the death of the owners.

The rates I propose start with 1 per cent over \$50,000 and go more in this order [indicating]. Mind you, that beginning with an exemption of \$50,000 the brackets of my amendment follow very much the brackets of existing law; that is, the maximum rate of 45 per cent applies to that portion of the estate over \$10,000,000.

The gentleman from Maryland proposes a schedule of rates that looks something more like this and then straight over like that [indicating]. He does not propose a gradual upward trend but a steep upward movement until he gets to \$500,000, when he applies 40 per cent rate to all above that amount. That is, on a \$1,000,000 estate the part over \$500,000 would have a rate burden just as great as the rate burden imposed on a \$25,000,000 estate; that is, 40 per cent all the way through.

I am here speaking in the interest of developing the estate tax so as to make it productive of revenue.

The rates I have adopted were written, as they were read to you, after conferring with persons who have had experience in administering the estate-tax laws. I doubt whether the gentleman from Maryland, in preparing his amendment, conferred with men experienced in administering the estate tax law. I had experts prepare the amendment I have offered. I asked them to prepare an amendment which would yield, as nearly as they could figure it, \$500,000,000.

Now, let me make it clear to you that the amendment I offer does not affect the existing law. It is not put over on top of the existing law. It specifically provides that the amount the States are entitled to under existing law remains undisturbed. The rates that are in my amendment are the maximum rates that would be imposed on any estate. To figure out what the estate would have to pay,

you would first figure with my rates and then to find out what a State is entitled to retain under the 80 per cent provision, you figure out what the State would be entitled to under existing law and subtract that from the amount that the tax would amount to under my amendment. So the rights of the States to a part of the estate tax under existing law will under my amendment remain undisturbed. That is, the State's participation in estate taxes is neither enlarged nor diminished but will be in the future the same as it has been since 1926.

Mr. RAGON. Will the gentleman yield right there?

Mr. RAMSEYER. I yield to the gentleman from Arkansas, a member of the committee.

Mr. RAGON. As we have treated the amendment in the bill, we have treated the increase as a supertax and the States do not participate in that in any way. I do not think the gentleman has made it clear whether the States will participate in his supertax or not.

Mr. RAMSEYER. They do not.

Mr. RAGON. They only participate in the tax that is levied at present.

Mr. RAMSEYER. That is it exactly, and that part is not disturbed at all.

Now, let me make this clear again. I can not stop here to write all this out, but Figure 1 here [indicating on the blackboard] is a line which indicates the existing law; Figure 2 is the line or the step-up in the bill; Figure 3 is a line of the step-up under my amendment; and Figure 4 illustrates the line or step-up of the amendment of the gentleman from Maryland [Mr. LEWIS].

Each year since the war, except last year, when I did not have time to do so, I have read the report of the British Chancellor of the Exchequer. This in itself is a liberal education in public finance, and I have followed especially with interest their estate-tax law development.

In Great Britain there has been nothing radical about the development of their estate taxes; in fact, nearly every increase that has been proposed and put on has come when the Conservatives of Great Britain were in power. I am not proposing to you anything radical. I am proposing to you something that is just, I am proposing to you something whereby you can get revenue according to capacity to pay, and it is a source of possible revenue that in my opinion has barely been tapped. What I am asking you to do to-day is to take a logical step forward and, maybe, some time in the future, other steps can be taken.

Now, as to the British rates. When I prepared this amendment I did not have the British rates before me, but since the amendment has been published in the CONGRESSIONAL RECORD I have had access to the latest British rates. Of course, the British exempt only \$500. We, in this amendment, exempt \$50,000. The British rates run from 2 per cent to 5 per cent higher than my rates, but the British line is a good deal like this No. 3 which I have drawn on the blackboard to illustrate the rates I have proposed. The British maximum rate on that portion of the estate over \$10,000,000 is 50 per cent, whereas my proposal is 45 per cent.

I think I have made plain to you just what the different proposals before the House amount to. No. 2 is what you see in the bill, No. 3 is my own amendment, and No. 4 is the amendment of the gentleman from Maryland.

Mr. RANKIN. Will the gentleman yield?

Mr. RAMSEYER. For a question; yes.

Mr. RANKIN. How much will the gentleman's amendment yield over and above what the present bill would yield?

Mr. RAMSEYER. Of course, remember that any increase to become productive will take probably two years.

Mr. RANKIN. I understand that. I am not talking about the time, but the yield.

Mr. RAMSEYER. When this becomes productive it will probably yield between \$500,000,000 and \$600,000,000. The committee proposal, I understand, will yield, when it be-

comes productive, something like \$300,000,000. So the difference would be two or three hundred million dollars, and it is made on the intermediate brackets, where the burden is a little heavier than that proposed by the committee.

Mr. SIROVICH. Will the gentleman yield?

Mr. RAMSEYER. For a question; yes.

Mr. SIROVICH. No. 3 represents the gentleman's amendment, is that right?

Mr. RAMSEYER. Yes.

Mr. SIROVICH. And it resembles the British form of taxation?

Mr. RAMSEYER. Yes.

Mr. SIROVICH. And the British form of taxation brings out \$80,000,000 a year for 40,000,000 people.

Mr. RAMSEYER. I know what the gentleman is driving at.

Mr. SIROVICH. Why is it that the gentleman's plan with 120,000,000 people will only bring \$500,000,000?

Mr. RAMSEYER. For this reason—the great bulk of the property that devolves is in smaller estates. If we would tax as heavily as the British do small estates, exempting only \$500, we would probably get from three to four times as much revenue from this tax as the British do. The difference is in that our exemption is higher.

Mr. REED of New York. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. REED of New York. There was a little confusion, and I did not get clearly this point. Do the States share under the gentleman's amendment?

Mr. RAMSEYER. I can assure the gentleman that under my amendment the part that the States get now will not be affected at all.

Mr. JOHNSON of Washington. That is to say, they will get no more.

Mr. RAMSEYER. They will continue to get just what they have been getting under existing law since 1926.

Mr. JOHNSON of Washington. The States will get what they are getting now, and any possibility of their going further and getting more from estates will be limited as the United States rates go higher.

Mr. RAMSEYER. The United States rates are higher because of the need of the Federal Treasury.

[Here the gavel fell.]

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Will the gentleman yield?

Mr. RAMSEYER. For a question.

Mr. BLANTON. The gentleman has evidenced his purpose of raising the rates. May I ask the gentleman whether or not, if his amendment should be defeated, would he then support the Lewis amendment?

Mr. RAMSEYER. I am not in favor of the Lewis amendment.

Mr. BLANTON. I wanted to see if he can not go along with those who favor a raise if the committee does go along with him.

Mr. RAMSEYER. Let us take one amendment at a time.

Mr. BLANTON. I only wanted to see how far we could go with the gentleman on his proposition.

Mr. RAMSEYER. I did not yield for that question. I want to dispose of this first.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. WHITTINGTON. Has the gentleman had any estimate of the Treasury as to what his amendment would produce?

Mr. RAMSEYER. I have had the estimate of an expert, not connected with the Treasury, that it will yield at least \$500,000,000.

Mr. WHITTINGTON. But the gentleman has not asked the Treasury for an estimate?

Mr. RAMSEYER. No; I have not.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. RAMSEYER. I yield.

Mr. STRONG of Kansas. The amount of this tax must be collected in cash. But suppose an estate has no cash, that its assets are in business, and so forth. What length of time does the gentleman give for the payment of the tax?

Mr. RAMSEYER. My amendment would not affect the administrative provisions of the law. I always have been in favor myself of liberal administrative provisions, to give the estates plenty of time to settle up so they will not be hurried or crowded in settling up at a loss.

Mr. STRONG of Kansas. Ought there not be some provision for that in the bill?

Mr. RAMSEYER. That comes later on.

Mr. WOODRUFF. Will the gentleman from Iowa yield?

Mr. RAMSEYER. I yield to the gentleman.

Mr. WOODRUFF. There has been considerable confusion around here, and I did not get all the responses of the gentleman to the questions propounded to him. The committee bill will raise a certain amount of money.

Mr. RAMSEYER. I understand something like \$250,000,000 or \$300,000,000.

Mr. WOODRUFF. And how much additional will the gentleman's proposition raise?

Mr. RAMSEYER. About \$200,000,000 or \$300,000,000 more.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. CAVICCHIA. Some States levy a tax as high as 14 per cent, which is in addition to the gentleman's amendment.

Mr. RAMSEYER. Certainly. That is taken care of under existing law. This does not in one iota affect the present relationship between the States and the Federal Government.

Mr. CAVICCHIA. That was not my question. Some of the States collect plus 14 per cent maximum—

Mr. RAMSEYER. And that 14 per cent is deducted under the provisions of existing law. The provisions of existing law are not changed by my proposition for increasing the rates.

Mr. CAVICCHIA. My question is, Has the gentleman considered the addition of his tax to the 14 plus per cent tax now paid in certain States under existing law?

Mr. RAMSEYER. My dear sir, seven or eight years ago I made an exhaustive study of the inheritance tax laws of every State, and if the gentleman had been here—

Mr. CAVICCHIA. I am sorry to say I was not here.

Mr. RAMSEYER. He would have heard me speak on State inheritance tax laws. I have studied State laws; yes.

Mr. CAVICCHIA. And your conclusion is that with the tax you are proposing now and the tax now paid to the States it is less than the English tax?

Mr. RAMSEYER. Oh, certainly; no question about that.

Mr. McKEOWN. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. McKEOWN. Does the gentleman propose to offer an amendment to the gift-tax section?

Mr. RAMSEYER. No. The gift tax should be lower than the estate tax. Heretofore I have always stood for a gift tax. I thought it was a mistake in 1924 to put the gift-tax rates as high as in the estate-tax rates. There is such a thing as going too high on gift-tax rates, thereby rendering them unproductive. The same rule applies to income taxes. You can not, by merely writing high rates on incomes, collect a lot of money. That is, you will reach the point of diminishing returns. With estate taxes it is different; the law of diminishing returns does not apply. It is a matter of judgment. We do not want excessive rates, but we want reasonable rates, productive of large revenue.

Mr. McKEOWN. The gentleman knows that in a dissenting opinion in the Supreme Court yesterday it cited millions of dollars that have escaped us through the gift tax.

Mr. RAMSEYER. We have a gift tax in this bill, and I am for it. The only question the gentleman raised was whether I proposed to offer an amendment to increase the gift tax, and I answered that I did not.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. CRISP. I would like to say in answer to what the gentleman from Oklahoma [Mr. McKeown] said that the Supreme Court merely decided that the provision of law that gifts made within two years of death were presumed to be made in contemplation of death is unconstitutional. The Supreme Court has decided that Congress can pass a gift tax to take effect from the date of the passage and not be retroactive. That decision yesterday in no way affected the validity of the gift tax as set out in the bill.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. JOHNSON of Texas. What is the minimum amount not subject to tax under the gentleman's amendment?

Mr. RAMSEYER. Fifty thousand dollars net.

Mr. McGUGIN. If I understand the gentleman's amendment correctly, it is an additional and further tax to the tax now in existence under the revenue act of 1926.

Mr. RAMSEYER. It is an increase of that tax, but the rates of my amendment are not superimposed on existing rates.

Mr. McGUGIN. Under the tax as it now exists, the rate runs from 1 per cent to 20.

Mr. RAMSEYER. Yes.

Mr. McGUGIN. The gentleman's rate does not increase the maximum at the top from 45 to 65 or at the bottom.

Mr. RAMSEYER. No.

Mr. HAWLEY. In any bracket of the gentleman's proposal, the amount he states is the total tax to be paid.

Mr. RAMSEYER. Up to that bracket; yes.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. WOLVERTON. I am in sympathy with the amendment you have proposed. You have indicated an interest in the administrative features of the present law relating to the collection of estate taxes so that the manner of such collection would not work an undue hardship or loss. Has the committee, in increasing the rates, taken that into consideration in this bill?

Mr. RAMSEYER. There has been no change in the administrative provisions.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Just for one question.

Mr. SIROVICH. I think the whole House is interested in one matter which the gentleman can explain, and that is the difference between the gentleman's amendment which is No. 3, and Mr. Lewis's, which is No. 4. They both show that you can raise \$500,000,000.

Mr. JOHNSON of Washington. If enough people die.

Mr. SIROVICH. But the difference between the gentleman's amendment and the Lewis amendment is that between \$50,000 and \$500,000 the gentleman's proposal is more gradual, while his is a greater jump.

Mr. RAMSEYER. I do not know where the gentleman from Maryland got his figures. I submitted my rates to experts, and they estimated about \$500,000,000 annually would be collected.

Mr. SIROVICH. He says the same with his.

Mr. RAMSEYER. I think he said \$600,000,000 additional.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. RAMSEYER. I submit the following table of rates, which are self-explanatory:

Estate tax—Comparison of rates

Net estate (after exemption) ¹	Ramseyer rates	Present rates	Bill rates	British rates
	Per cent	Per cent	Per cent	Per cent
0-\$2,500	1	1	2	1
\$2,500-\$5,000	1	1	2	2
\$5,000-\$10,000	1	1	2	3
\$10,000-\$20,000	2	1	2	3
\$20,000-\$25,000	3	1	2	3
\$25,000-\$30,000	3	1	2	4
\$30,000-\$40,000	4	1	2	4
\$40,000-\$50,000	5	1	2	4
\$50,000-\$62,500	7	2	4	5
\$62,500-\$75,000	7	2	4	6
\$75,000-\$90,000	7	2	4	7
\$90,000-\$100,000	7	2	4	8
\$100,000-\$105,000	9	3	6	8
\$105,000-\$125,000	9	3	6	9
\$125,000-\$150,000	9	3	6	10
\$150,000-\$175,000	9	3	6	11
\$175,000-\$200,000	9	3	6	12
\$200,000-\$225,000	11	4	8	13
\$225,000-\$250,000	11	4	8	14
\$250,000-\$275,000	11	4	8	15
\$275,000-\$325,000	11	4	8	16
\$325,000-\$375,000	11	4	8	17
\$375,000-\$400,000	11	4	8	18
\$400,000-\$425,000	13	5	10	18
\$425,000-\$500,000	13	5	10	19
\$500,000-\$500,000	13	5	10	20
\$500,000-\$750,000	15	6	12	22
\$750,000-\$800,000	15	6	12	24
\$800,000-\$1,000,000	17	7	14	24
\$1,000,000-\$1,250,000	19	8	16	26
\$1,250,000-\$1,500,000	19	8	16	28
\$1,500,000-\$2,000,000	21	9	18	30
\$2,000,000-\$2,500,000	23	10	20	32
\$2,500,000-\$3,000,000	25	11	22	34
\$3,000,000-\$3,500,000	27	12	24	36
\$3,500,000-\$4,000,000	29	13	26	38
\$4,000,000-\$4,500,000	31	14	28	38
\$4,500,000-\$5,000,000	33	14	28	40
\$5,000,000-\$5,000,000	35	15	30	40
\$6,000,000-\$6,250,000	37	16	32	42
\$6,250,000-\$7,000,000	37	16	32	42
\$7,000,000-\$7,500,000	39	17	34	45
\$7,500,000-\$8,000,000	39	17	34	45
\$8,000,000-\$9,000,000	41	18	36	45
\$9,000,000-\$10,000,000	43	19	38	45
Over \$10,000,000	45	20	40	50

¹ Under Ramseyer amendment, \$50,000; existing law, \$100,000; bill, \$100,000.

British deduction, \$500.

Italic indicates brackets of Ramseyer amendment.

Sterling converted at \$5 for £1.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to be heard in opposition to the amendment.

I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JOHNSON of Washington. Mr. Chairman, I asked that this blackboard be left in the well of the House for a moment in order that I might call attention to something that is quite accidental. The distinguished gentleman from Iowa [Mr. RAMSEYER] brought in this blackboard in order to make a diagram which shows four different methods of taking wealth away from the deceased.

The gentleman happened to bring in a board which had on it these pictures, which were used by the distinguished Member from Florida [Mrs. OWENS] to show the beauties of the proposed Everglades National Park, which, by the way, will be a charge, sooner or later, on the Federal Government. See the pictures. They have served her purpose. Now they will serve ours. See the beautiful fernlike trees. See the pretty birds, flying against the hazy blue sky. Why, these seem to be pictures of Elysium; almost a portrayal of Utopia, and the perfect state where there shall be no taxes, no riches, aye, no government—the ultimate outlined in all of the socialist textbooks, from those of Marx and Engels down to Henry George, but mostly in Marx's heavy volumes—Das Kapital. While I can not hope to outline to you Karl Marx's theories as they have been developed to fruition, and are now being carried on in many European countries, if you will read this book, the Terror of Europe, written this year, you will understand what I am driving at.

Mr. KELLER. Written by whom?

Mr. JOHNSON of Washington. By H. Hessel Tiltman, author of J. Ramsay MacDonald, and other volumes, and written from facts, not theories, and not filled with guesses

or predictions, you will get the last word about Stalin, Russia's "Man of Steel," the communist dictator of the Union of Socialist Soviet Republics. And about Italy, Hungary, Yugoslavia, the Polish Ukraine, the little "Liberia" in Italy, the forced labor camps of northern Russia, and so on. You will get the communistic trend, and the death and destruction of its wake.

I have not the time to tell you, but I can make the suggestion that, as far as I can see, the best thing that the Members of this Committee of the Whole House on the state of the Union, in consideration of this tax bill can do at this time will be to vote for the Ramseyer substitute for the Lewis amendment, on the ground that the Ramseyer substitute is less socialistic.

Mr. LEWIS. Will the gentleman yield?

Mr. JOHNSON of Washington. In just a moment.

Then you will have a chance, if you so vote, to fall in behind your Ways and Means Committee of 25 Members, who have labored hard in good faith, under extreme difficulties, to bring out a bill that will raise some revenue. If we are going to follow mere dreams, let us all be dead sure that we know what we are doing and where we are going.

I now yield to the gentleman from Maryland.

Mr. LEWIS. I have never been conscious, in discussions in this House, passionate though the discussions sometimes began, of throwing an epitaph—

Mr. JOHNSON of Washington. Not an epitaph, but an epithet.

Mr. LEWIS. At any other Member of this House, such as the gentleman has just thrown at me, and I want to let the gentleman from California—

Mr. JOHNSON of Washington. Not California, but Washington.

Mr. LEWIS. To let the gentleman from Washington now know—

Mr. JOHNSON of Washington. Let us be fair about it.

Mr. LEWIS. Will the gentleman wait until I am through?

Mr. JOHNSON of Washington. Well, really, I can not wait. I am making this particular speech. It is my time.

Mr. CLARKE of New York. Mr. Chairman, the regular order.

Mr. JOHNSON of Washington. I yield to the gentleman.

Mr. LEWIS. I want to let the gentleman from Washington know that perhaps he has failed to draw my size in this discussion and has only exposed his own.

Mr. JOHNSON of Washington. Well, be that as it may, Mr. Chairman, I said I believed that one amendment proposed as a substitute for this amendment was less socialistic than the other. If that is an epitaph or an epithet (laughter) it seems to have stung and cut deep. [Applause.] I am reminded, as a matter of fact, that proposal No. 4, on this blackboard diagram, the proposal of the gentleman from Maryland [Mr. Lewis] is an epitaph as to the possibility of much of an estate tax by any of the sovereign Commonwealths of this Union. [Applause.] Did not Mrs. Malaprop say something about "a nice disarrangement of epitaphs"?

What I want to say is this: Are we looking solely for revenue upon bases which are fundamentally sound, from the standpoint of economics, or are we indirectly and insidiously trying to thrust a form of social legislation on the people in the guise of taxation. Let us be honest with ourselves and with the Nation.

You will notice that the gentleman from Maryland [Mr. Lewis]—and I admire his talent and industry—said in his speech, while he was presenting his amendment, he preferred not to discuss the social features, the psychological features. I am trying to call attention to the fact that those features are here and are dangerous, and should be discussed.

Are we insidiously trying to thrust a form of social legislation on the people in the guise of taxation? That is the question, and do not forget it. We are offered several plans of increased graduated taxes upon those who are fortunate enough to be rich when they die. We are trying to do all this in Committee of the Whole. Not five men can

stand up here now and say what the various proposals really are, as indicated on the blackboard by the first straight line, the first hypotenuse, and this last, the double jumper. [Laughter and applause.] The Treasury of the United States needs money and needs it now, and the rich who die are taxed double in the bill of the Ways and Means Committee. But it is proposed to tax the dead rich four, five, or six times on top of the committee's 50 per cent increase, and some of you will want the rich to die now to fill the Treasury, or, perhaps, give 30 days' notice and then die, to be stripped to the shroud. [Laughter.]

No, Members, this is not a matter for laughter. It is most serious.

[Here the gavel fell.]

Mr. JOHNSON of Washington. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. RANKIN. Mr. Chairman, reserving the right to object, how much time is left?

The CHAIRMAN. There is no limit on the time.

Is there objection?

There was no objection.

Mr. JOHNSON of Washington. Mr. Chairman, I have been talking over on the Democratic side, and now, Mr. Chairman, I shall step across the aisle and speak to my Republican brethren. Speaking on the question of inheritance taxes before the National Tax Association in Washington on February 19, 1925, Mr. Coolidge, then President of the United State, said—you see, this thing has been brewing for a long time:

If we are to adopt socialism it should be presented to the people of this country as socialism and not under the guise of a law to collect revenue. The people are quite able to determine for themselves the desirability of a particular public policy and do not ask to have such policies forced upon them by indirection.

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes; I yield.

Mr. CAMPBELL of Iowa. Is the gentleman against all inheritance taxes?

Mr. JOHNSON of Washington. I am not, of course. But inheritance taxes can be laid with reason. The bill as reported doubles the inheritance tax. There are some who would lift taxes into a straight-out capital tax; that is, so that as taxes are paid the principal is eaten into and finally it is gone. No county commissioner from away back would do that.

Mr. CAMPBELL of Iowa. Will the gentleman from Washington yield again?

Mr. JOHNSON of Washington. I will ask the gentleman to let me proceed. Mr. Chairman, I can not yield any further. There are a great many western men here. We live, prosper, and develop on borrowed money. If we tax estates beyond a certain point, we will create a desire on the part of those who have accumulated large sums of money to dissipate those sums before they die. They quit investing; and if they do that, we dissipate the chances for development.

Mr. BLANTON. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes; I yield.

Mr. BLANTON. May I ask whether or not the gentleman from Washington is for the committee bill?

Mr. JOHNSON of Washington. I am, with the amendments as to manufacturers' tax on canned foods and the cheaper clothing and shoes.

Mr. BLANTON. Everyone who is for the committee bill as it is written is naturally against the raising of taxes on estates and against us who are fighting against the sales tax.

Mr. JOHNSON of Washington. Oh, no. The gentleman is not stating my position correctly or treating me fairly. It so happens I was one of the first to lead in the movement to lift the tax on canned fruit, canned vegetables, canned fish, and canned meats. But I did not have to help tear the bill to pieces in order to get that relief. There are other ways to win than by raring, bucking broncho insurgency.

However, I am not concerned or alarmed about all of this excitement, about all this hubbub over this tax bill, for

I am satisfied that even the bill as written, even with the amendments adopted the other day, and the other amendments to be proposed and adopted, will not even then raise sufficient revenue. We are tearing an extreme tax bill all to pieces. Great revenue does not drop into the Treasury when we in Congress say "Great revenue, drop into the Treasury now, instantan." No. I have a letter from the Secretary of the Treasury, Mr. Mills, in response to eight specific inquiries propounded by me. He tells how the debt is increasing.

Mr. BLANTON. The gentleman said he had a letter from Ogden Mills, who favors this sales tax.

Mr. JOHNSON of Washington. I can not yield, please.

This bill, with all the high-sounding brackets the House has shot into it, will not anywhere raise the revenue. The other legislative body will hold hearings on this bill for weeks, debate it for still other weeks, amend it, and it will be worse.

Mr. Chairman, after we have stricken out the manufacturer's tax, voted down the proposed beer tax, elevated all income taxes, and raised estate taxes we will come back here some day all too soon and find it necessary to raise more revenue in some of the very ways we are now throwing into the waste basket.

Now, Mr. Chairman, I have a letter of mine written a month ago, containing eight questions asked of the Secretary of the Treasury, and I have his reply. My time has about expired. In addition to extending my own remarks, I ask unanimous consent to print these letters.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to incorporate as a part of his remarks the documents referred to. Is there objection?

Mr. RANKIN. Mr. Chairman, reserving the right to object, if the Ramseyer substitute were adopted would the gentleman be in favor of the bill?

Mr. JOHNSON of Washington. I will vote for anything that will get anywhere near the necessary revenue in a reasonable way, and I will go along with the trained and experienced members of the Ways and Means Committee who have acted with nerve, with dignity, and with reason.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, and I shall not object, I want to ask the gentleman from Washington whether or not his people back home are in favor of the sales tax?

Mr. JOHNSON of Washington. They favor a balanced Budget. They want the credit of the Government maintained; they want its sovereignty maintained, its defense kept up, and business from top to bottom given an ordinary chance, so that the wheels may go round, pay rolls resume, commodity prices come up, and normal living be restored.

They do not want sovietism or a dictatorship or too much government. Oh, if I had but five minutes more to speak, I could tell the gentleman that back in the offing and behind this insurrection in the House is the desire, not to raise money by taking it from the rich as taxes, but a desire to actually take away the property of the rich. Socialism, and then some! I ask you to study this, think about it, and 10 years from to-day, if you live, please read this CONGRESSIONAL RECORD as to this day's proceedings. [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JOHNSON of Washington. Mr. Chairman, a short time ago I addressed a letter to the Secretary of the Treasury, Hon. Ogden L. Mills, requesting information on several questions which were propounded as follows:

1. Estimate deficit for the fiscal year ending June 30, 1932?
2. What was the Treasury deficit for the fiscal year ending June 30, 1931?
3. How was that deficit cared for?
4. If bonds were issued then, in what amount and under what provisions of law?
5. How long do those bonds run and at what rate of interest?
6. What, if anything, is there in the Treasury to the credit of the soldiers' bonus?
7. What amount will be necessary to pay the remaining portion of the soldiers' bonus in full?

I received a reply from the Secretary of the Treasury with several explanatory tables inclosed. His letter is as follows:

TREASURY DEPARTMENT,
Washington, March 18, 1932.

MY DEAR CONGRESSMAN: I acknowledge receipt of your letter requesting information concerning the deficit for the fiscal years 1931 and 1932, and also information concerning the soldiers' bonus.

There is transmitted herewith a copy of the Annual Report of the Secretary of the Treasury for the fiscal year 1931, in which your attention is called to the statement appearing on pages 25 and 26. You will note that the deficit for the fiscal year 1931 amounted to more than \$902,000,000, and that the deficit for the fiscal year 1932 has been estimated at over \$2,122,000,000. This last-mentioned figure does not include any funds required on account of legislation passed since the publication of the Budget in December, such as payments on account of subscriptions to the capital stock of the Reconstruction Finance Corporation and the Federal land banks, which may amount to \$625,000,000. In addition, a recent revision of estimates for internal revenue and customs receipts shows a decline of \$117,000,000 from the estimates submitted in the Budget, which will have the effect of further increasing the deficit by that amount.

The deficit for the fiscal year 1931 was cared for entirely by borrowing, as will also be the case during the fiscal year 1932. It is not possible to state what particular issues of Government securities are for the purpose of covering the deficit in receipts. The Treasury generally bases its borrowings on its estimated needs for a three months' period and through these borrowings the deficit is automatically taken care of.

During the fiscal year 1931 the Treasury, in addition to its short-term borrowings, issued on March 16, 1931, \$594,230,050 face amount of 3% per cent Treasury bonds of 1941-1943. On June 15, 1931, there was an issue of 3% per cent Treasury bonds of 1946-1949, aggregating in face amount \$821,406,000, and on September 15, 1931 (fiscal year 1932), there was an issue of 3 per cent Treasury bonds of 1951-1955 in the aggregate face amount of \$800,423,000. No further issues of bonds have been made since September 15, 1931.

In this connection there is transmitted herewith a copy of the statement of the public debt of the United States for December 31, 1931, from which you can readily ascertain the dates and amounts of the issues of securities during the fiscal years 1931 and 1932 which are still outstanding. There is also inclosed a copy of the Daily Statement of the United States Treasury for February 29, 1932, in which, on page 4, you will find a preliminary statement of the public debt for that date. The 3% per cent Series A-1932 certificates of indebtedness maturing August 1, 1932, in the amount of \$227,631,000 and the 3% per cent Series A-1933 certificates maturing February 1, 1933, in the amount of \$144,372,000, have been issued since the statement of December 31, 1931. All of these obligations have been issued under authority of the Liberty bond acts, as amended.

You will note from the preliminary statement of the public debt shown on the Daily Statement of the United States Treasury for February 29, 1932, that there are in the adjusted-service certificate fund 4 per cent obligations in the amount of \$167,200,000. As the Veterans' Administration needs funds with which to make loans to veterans or to pay death benefits, these obligations are redeemed by the United States Treasury and the funds placed to the credit of the Veterans' Administration. This is the only fund in the Treasury held for account of the adjusted-compensation certificates.

Up to February 29, 1932, there has been approximately \$900,000,000 loaned out of this fund to the veterans under authority of the act of February 27, 1931, which liberalized the loan provisions of the adjusted-compensation certificates. This sum does not include loans made from the Government life-insurance fund. In this connection there are transmitted herewith statements showing certain information regarding loans to veterans on account of the adjusted-service certificates.

The Veterans' Administration is in a position to furnish you accurate figures on the amount required to pay the remaining portion of the soldiers' bonus in full, but the Treasury is glad to furnish for your information the following estimated round figures. As stated above, there has already been loaned to the Veterans approximately \$900,000,000 of the adjusted service certificate fund, and there is available in the fund at this time the sum of \$167,200,000, making a total of over \$1,067,000,000 made available by Congress for the adjusted service certificate fund. It has been estimated that the face value of the adjusted-service certificates outstanding amounts to approximately \$3,500,000,000. Deducting the above-mentioned funds which have already been made available and eliminating for the purpose of this computation the accrued interest on loans that have been made and are now outstanding leaves approximately \$2,400,000,000, which would be required in appropriations to pay the veterans' adjusted-compensation certificates in full.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

HON. ALBERT JOHNSON,
House of Representatives, Washington, D. C.
Inclosures.

The following table gives the status of the adjusted service certificate fund from February 28, 1931, to February 29, 1932:

Adjusted service certificate fund—February 28, 1931, to February 29, 1932

Available funds:	
In fund Feb. 28, 1931—	
Cash.....	\$20,461,416.75
Securities.....	735,400,000.00
Available Feb. 28, 1931.....	\$755,861,416.75
Appropriation Mar. 4, 1931.....	112,000,000.00
Appropriation Dec. 21, 1932.....	200,000,000.00
	312,000,000.00
Interest collected—	
Treasury investments.....	11,439,522.18
On loans.....	1,686,330.17
	13,125,852.35
Available between Feb. 28, 1931, and Feb. 29, 1932.....	1,080,987,269.10
Net expenditures from Feb. 28, 1931, to Feb. 29, 1932:	
Death benefits.....	\$20,605,943.46
Bank loans redeemed (net).....	\$4,897,519.04
Direct loans to veterans.....	883,231,112.52
Total loans from fund.....	888,128,631.56
	908,734,575.02
Balance available Feb. 29, 1932.....	172,252,694.08
Cash balance.....	\$5,052,694.08
Securities.....	167,200,000.00
	172,252,694.08

MARCH 11, 1932.

The statement below sets forth the total amount of loans made to veterans under the original adjusted compensation act as well as the amendatory act of February 27, 1931, providing for the payment of 50 per cent of the face value of the certificates.

Total loans to veterans

From adjusted-service certificate fund since Feb. 28, 1931.....	
	\$878,809,266.40
Redeemed bank loans prior to Feb. 28, 1931.....	11,398,621.20
	890,207,887.60
From Government life-insurance fund:	
Unliquidated loans made prior to Feb. 27, 1931.....	\$281,684,914.17
Net loans under act of Feb. 27, 1931.....	61,966,421.59
Total net loans from Government life-insurance fund.....	343,651,335.76
Total net loans through Veterans' Administration.....	1,233,859,223.36
Estimated loans held by banks.....	75,000,000.00
Total loans from all sources (partly estimated).....	1,308,859,223.36
Number of certificates outstanding	
Total number of certificates issued.....	3,658,527
Number of certificates matured on account of death.....	122,574
Total number of certificates outstanding Jan. 31, 1932.....	3,535,953
Total number of certificates held as security for loans—	
By the Government.....	2,454,741
By the banks (estimated).....	175,000
	2,629,741
Number of unpledged certificates (partly estimated).....	906,212
MARCH 10, 1932.	

Inasmuch as the statement of the condition of the United States Treasury is issued daily in circular form, I have not inserted one of these, but desire to call attention to the fact that all daily statements as to the receipts since March 15 from income-tax returns show a very heavy drop as compared with last year's receipts, compared day by day. The deficit is increasing.

Knock out the carefully thought-out manufacturers' tax, which has the license plan to prevent pyramiding of the tax, and which now has food and clothing exempted from

¹ It is estimated that of this number 200,000 certificates are not eligible for loans because effective less than two years.

tax, and you will have to reach here, there, and everywhere for taxes, many of which will be excise taxes, which will have to be taken "right on the nose" by the purchaser as he buys, and you will hear from it everywhere you turn. I do not object to high income taxes or high profit taxes, but I do think that a mistake can be made in levying such taxes too high—that is, if you really desire to raise the enormous sum of tax money needed to even approximately balance the Budget.

Mr. CRISP. Mr. Chairman, I ask unanimous consent to speak for 10 minutes. [Applause.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman and my colleagues, I am not conceited enough to arrogate to myself the ability to change the views of any man in this House on this amendment. However, I would be recreant to my duty as I understand it if I did not present a few thoughts to you in connection with these amendments.

The amendment of my friend from Maryland [Mr. LEWIS] applies income-tax rates to accumulated estates.

Mr. LEWIS. Will the gentleman yield?

Mr. CRISP. No; I will not.

Mr. LEWIS. The gentleman is in error in that statement.

Mr. CRISP. I will not yield. The gentleman applies graduated income-tax rates to estates over \$50,000. Now, what is the effect of that, gentlemen? It is treating the accumulation of years as income for one year. The graduated income-tax rate is based on your net earnings for one year while estate taxes are based on your life's accumulations. You may by your industry and frugality have saved during a long life \$100,000, \$200,000, or \$300,000 to leave to your wife and children. It is not net income for one year. Those rates apply to your life's accumulation. I am, of course, against that amendment. [Applause.]

The amendment of the gentleman from Iowa increases the rates recommended by the committee, and I understand that my friend from Iowa claims his amendment will raise about \$200,000,000 in a full year more than the amendment recommended by the committee.

The amendment recommended by the committee doubles the estate tax and attaches the maximum of 40 per cent to estates in excess of \$10,000,000.

It is estimated by the Treasury Department that the committee's amendment in a full year will raise \$150,000,000. The Treasury Department advises me that the estimates that my friend from Iowa [Mr. RAMSEYER] has were made by the staff of the Joint Committee on Internal Revenue Taxation, and were based on business values in 1930. Of course, the value to-day of stocks, bonds, and all other property is much lower than it was in 1930, and therefore I do not believe his estimate is actually correct, although it was furnished to my friend. I am simply pointing out this difference. The Treasury estimates were based on values in 1925.

May I read you what Thomas Jefferson said?—

To take from one because it is thought that his own industry and that of his fathers has acquired too much, in order to spare to others who or whose fathers have not exercised equal industry and skill, is to violate arbitrarily the first principle of association, "the guaranty to every one of a free exercise of his industry and the fruits acquired by it."

[Applause.]

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. No; I do not yield now.

I can add nothing to what I have said. Oh, gentlemen, I have no wealth, neither have I a brief for the wealthy class, but I do say that wealth is what enables factories, industries, railroads, and others to operate and to furnish employment to many of our good citizens.

I hope both the amendment of the gentleman from Maryland and the amendment of the gentleman from Iowa will be rejected, and that the rates proposed by the committee doubling the estate tax will be agreed to.

Mr. CROWTHER. Mr. Chairman, of course the specific purpose of this bill is to raise sufficient revenue to balance the Budget. Other subject matter has been introduced

that is undoubtedly extraneous, but revenue is its prime objective.

I think on a serious matter of this kind we ought to apply the ordinary rules of common sense. In the surtax rates we applied rates that we thought dangerously approached the point of diminishing returns.

It is not inconceivable that the general public and those who have money and who are in business, with the vision before them of extortionate rates of this kind, when their estate is finally liquidated will see to it that there is not so much increment to be divided among their relatives at the time of death, and they will endeavor to distribute it in some other way.

There is only one material advantage that I see in the Lewis amendment, and that is it would be a constant urge to everybody in the United States that has accumulated a fortune to keep on living and not to die. [Laughter and applause.] You had better stay here under that kind of a rate and enjoy it for a while.

The distinguished leader, Mr. RAINY, said the other day that after 20 years of research in tax matters he had discovered the answer with regard to raising money is that you are to get the most feathers with the least squawking of the goose. Here is a case where the goose can not squawk—it is dead—and, of course, it is considered an easy method of securing the money. There is nobody to find any fault. The goose or gander, whichever it may be, can not squawk any longer. Now, the gentleman from Mississippi [Mr. RANKIN] has just made one of his characteristic appeals here on behalf of the toiling masses and the burdens of the toiling masses of the country, and let me say to the gentleman from Mississippi that he and the rest of the Members of this House know that the toiling masses of this country have just as much common sense, just as much patriotism, just as much loyalty as he has, and they are just as willing, in an emergency, to subscribe their share of an equitable tax as any of the rest of the population of the country. [Applause.] You do not get very far with these constant appeals in behalf of the toiling masses. They do not want these demagogic appeals made in their behalf. I remember a few years ago when we had this estate tax before us, Chairman Green, of Iowa, espoused this tax. It was the only proposition on which the chairman, Mr. Green, and the distinguished Speaker of this House, Mr. GARNER, were in accord 100 per cent. They were both strong for the estate tax. But just look at the rates they had at that time. Why, I said a few moments ago to the former chairman of the committee, Judge Green, "You were a mild-mannered hold-up man with the rates you advocated at that time, as compared with Captain Kidd and his band of pirates who appear here to-day under the leadership of the gentleman from Maryland." [Laughter and applause.]

Mr. McGUGIN. Mr. Chairman—

The CHAIRMAN. The Chair recognizes the gentleman from Kansas for five minutes.

Mr. O'CONNOR. A point of order, Mr. Chairman. Under the rules, the proponent is allowed five minutes in favor of a proposition and the opposition five minutes against the proposition—

The CHAIRMAN. The Chair understands the gentleman from Kansas desires to offer a substitute for the amendment of the gentleman from Iowa.

Mr. O'CONNOR. I did not know that.

Mr. McGUGIN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. McGUGIN as a substitute for the amendment of the gentleman from Iowa [Mr. RAMSEYER]: Strike out the first five brackets of subsection (b) and section 2.

Mr. McGUGIN. Mr. Chairman, this amendment which I have offered to the Ramseyer amendment simply says that the inheritance-tax rate as provided by his amendment will begin with an estate of \$100,000, rather than \$10,000.

Mr. RAMSEYER. Will the gentleman yield for a correction?

Mr. McGUGIN. Yes.

Mr. RAMSEYER. How much of an exemption does the gentleman seek?

Mr. McGUGIN. I understand the gentleman's amendment begins at \$10,000.

Mr. RAMSEYER. Oh, no; paragraph (c) the exemption is \$50,000.

Mr. McGUGIN. Then why, if you are going to exempt ten, twenty, thirty thousand dollar estates, why have these estates absorbed by an exemption?

Mr. RAMSEYER. The \$10,000 is above the exemption.

Mr. McGUGIN. Well, Mr. Chairman, in that event, I will ask to withdraw my amendment.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. McGUGIN. Now, Mr. Chairman, I would like to rise in favor of the Ramseyer amendment.

Mr. O'CONNOR. Mr. Chairman, I make the point of order that the time has been exhausted under the rule.

The CHAIRMAN. The Chair is familiar with the rule, and the Chair sustains the point of order.

Mr. LEWIS. Mr. Chairman, I ask unanimous consent that I may address the House for 10 minutes.

The CHAIRMAN. Is there objection?

Mr. CLARKE of New York. I object.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair recognizes the gentleman from New York and calls his attention to the fact that the last word is \$50,000. [Laughter.]

Mr. LaGUARDIA. Mr. Chairman and gentlemen, I hope the membership will not be too technical in holding me to the \$50,000 when we are discussing estates of \$100,000,000 and more.

All this talk about the confiscation of property and about the destruction of wealth, I want to say in all kindness, has been just a bit overdone. I submit that any proposition which is contained in the Ramseyer amendment, which provides for a tax of 45 per cent on estates of over \$10,000,000, is certainly not sufficient justification to wave the flag and denounce its proponents as radicals. [Applause.] I refuse to admit that only legislation which creates special privileges is constructive. There has been too much special privilege in the past. Since when are Members to be classified as constructive and patriotic only when they sponsor legislation beneficial to large fortunes?

After all, the right of inheritance is a right given by the State, and without that right there would be no inheritance.

Mr. McGUGIN. Will the gentleman yield?

Mr. LaGUARDIA. No; I do not yield.

Now, let me give you a few instances in the last two years of large estates, taken at random from press reports. I cite these cases only to indicate the size of the fortunes and estates and in no way to reflect on the decedents. They were all no doubt well thought of in their respective communities. Thomas B. Slick died August 17, 1930, leaving an estate of \$75,000,000. Dr. J. T. Dorrance, of the Campbell Soup Co., died September 21, 1930, leaving an estate estimated at \$200,000,000. W. P. Foss, of the New York Trap Rock Corporation, died September 21, 1930, leaving an estate of \$30,000,000. Daniel Guggenheim died September 29, 1930, estate not yet estimated, but it is reported that it will run in eight, if not nine, figures. Ella von E. Wendel, died March 15, 1931, estate of \$100,000,000, with no known heirs or next of kin living, though it seems thousands of next of kin are now scrambling for the estate. George F. Baker, died May 2, 1931, estate of \$75,000,000. Rodman Wanamaker, died within a year and a half, estate of \$41,790,544. Payne Whitney, died May 25, 1931, estate of \$239,301,017. E. H. Gary, died August 13, 1931, estate of \$22,579,521. W. M. Wright, died August 28, 1931, estate of \$60,000,000. Samuel Mather, died October 19, 1931, estate of \$50,000,000. Abraham Erlanger, died March 7, 1930, estate of \$75,000,000. Edward Bok, died January 9, 1931, estate of \$23,718,981. Some of those who have died whose estates have not yet

been estimated, are Colonel Friedsam, head of B. Altman & Co., died April 8, 1931, estate of over \$50,000,000; Isaac Gimbel, who died April 12, and others. These are taken at random, from all sections of the country.

There is no feeling between the adherents of the Lewis amendment and the adherents of the Ramseyer amendment. These two gentlemen worked out the two propositions, two plans for an inheritance tax, and the difference is very slight. Under the Lewis plan the maximum rate is reached at \$500,000, while under the Ramseyer plan the maximum is reached at \$10,000,000.

Mr. LEWIS. And that is what it is now under the present law.

Mr. LaGUARDIA. No; there is a very material increase as the discussion on the subject has already indicated. Both the gentleman from Maryland [Mr. LEWIS] and the gentleman from Iowa [Mr. RAMSEYER] are entitled to the thanks of their colleagues for their work and labor on this subject and have made a distinct contribution to this bill. The increase in the inheritance-tax rate is in keeping with our program to eliminate the sales tax provision and with the policy not only to raise needed revenue but to establish social legislation which will eventually prevent the concentration of wealth of the Nation into the hands of a few families. [Applause.]

Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. MARTIN of Oregon. Mr. Chairman, I object.

Mr. LEWIS. Mr. Chairman, I rise in opposition to the LaGuardia amendment.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. LEWIS. Mr. Chairman, I shall not yield to a feeling natural under the circumstances. I thought I had presented this subject dispassionately and endeavored to present the actuarial features involved in it. The difference between the Ramseyer amendment and that which I propose is fundamental. The maximum rate of 40 per cent is reached at \$500,000 in the case of my amendment but is not reached until the \$10,000,000 point in the case of the Ramseyer amendment. This is the trouble with the present law; it is the trouble with the proposal of the committee; the maximum rate is so long deferred that the great body of the estates is passed by before a rate of taxation is reached that will give us revenue. Let me call attention to a few facts here that ought to prove decisive. Do you realize, you representatives of 120,000,000 people, that the amount of estates taxed in the United States at this time is about two and one-half billion dollars, while it is \$2,900,000,000 in Great Britain, with one-third of our population.

What does that mean? That about two-thirds of the estates of decedents in the United States entirely escape under the present statute the application of any rates at all.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I do not. This is a question not of a social purpose but with me one of being just to the United States Treasury in the moment of its greatest need. I asked Mr. Ramseyer to yield that I might learn the yield under his amendment, but he declined. The yield I have given to you is the yield estimated by men of a staff competent to make these calculations, and it shows that we will have \$355,000,000 more revenue under the amendment I propose than we would have under the proposal of the committee. It would take the place, substantially speaking, of the present sales-tax schedule. Mr. Ramseyer's amendment in its yield is indefinite. Both our income-tax rates and our inheritance-tax rates have been written from two points of view—antimillionairism with regard to the rates at the top and a disposition to coddle the middle classes with low rates at the bottom. Listen to a report, made under the direction of Congress, on our income-tax rates as compared with the British rates. On \$4,000 net in the United States, as compared with the rate in Great Britain, the British payment under the present law is fifty-eight and a half times

as great as the American payment. On \$7,000 the British payment is twenty-one times the American payment. On \$10,000 it is 14 to 1; on \$20,000, 6½ to 1; on \$30,000, 5 to 1; on \$80,000, 2½ to 1; and \$100,000, 2¼ to 1. The current law on inheritance and income taxes in the United States might just as well be entitled "Laws to exempt the middle classes of the United States from their just burdens of taxation."

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. LEWIS. Mr. Chairman, I ask for enough time to finish a concrete illustration.

Mr. CLARKE of New York. Mr. Chairman, I shall have to object.

Mr. CONNERY. Mr. Chairman, I move to strike out the last three words of the Ramseyer amendment. I have the honor and privilege of belonging to the Captain Kidd Lewis group, to which the gentleman from New York [Mr. CROWTHER] referred. I consider it one of the finest privileges that has come to me since I have been a Member of Congress.

I listened to my distinguished colleague from Georgia quote from Thomas Jefferson. That is the first quotation I ever heard the gentleman read, or the first statement I ever heard the gentleman make which I was really surprised at, coming from the intellect of the gentleman from Georgia, for whom I have a real admiration and respect. If we followed out the principles now as set out in the document which he read—I repeat, if we follow it out to its logical conclusion to-day—then the gentleman from Georgia is telling us that the man who is so unfortunate in his birth that he is obliged to go into a factory and merely has the opportunity of earning a daily low wage, striking at one nut or fixing one part of a machine, through no fault of his own, not being born with a silver spoon in his mouth and not being given the opportunity of a college education, we should not tax the son of any of the big multimillionaires of the United States to prevent privation and want in the families of those who did not have the advantage of being born rich. That man's children, when he goes to work, must go hungry. They must starve for fear we might interfere with the vested interests of the multimillionaires of the United States. We who favor these amendments have been termed communists, reds, and socialists.

I am not a socialist, but I never worry about being called a socialist, because I have found out that every time you attack the vested interests of the country the smoke screen is put out that you are a red, you are a bolshevist, you are an anarchist. That is done to keep from the people the truth of what is really being done to labor. I noticed by the headlines in the papers throughout the country that the House was in a terrible turmoil and disorder last Saturday. It is always in turmoil and disorder in the headlines when it begins to take money from the pockets of the rich.

Mr. ABERNETHY. We are a mob.

Mr. CONNERY. We are a mob whenever we attempt to put up the surtaxes on the rich. But when we cut down taxes under the Mellon plan and when we reduce their taxes the story goes out in great head lines that the House proceeded in a very orderly and gentlemanly manner to-day to help save the fortunes of the rich in the United States.

Mr. CRISP. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CRISP. I know the gentleman has as kindly a feeling for me as I have for him. Is not that one of the greatest things in our beloved country that every man works out his own status in life; and is it not true that many of the millionaires, many of the intellectual leaders of the Nation, many of the Members of this House never went to college, were not born with silver spoons in their mouths, but worked out their own standing in their community and accumulated what they have? [Applause.]

Mr. CONNERY. That is absolutely true. But I will ask the gentleman to tell me how many millionaires there are in this House of Representatives? [Applause and laughter.]

Mr. CRISP. I am unable to answer, but I can assure the gentleman that I am not in that class.

Mr. CONNERY. And I will tell the gentleman that I am below him in that class. [Applause.]

Now, I have no desire further to take up the time of the House, except to say that I am in favor of the Lewis amendment and I am happy at the opportunity to be in that Captain Kidd Lewis class and vote for the Lewis amendment to tax huge estates and use that money for the common good of the people.

Mr. CRISP. Mr. Chairman, may I see if we can come to some understanding as to the closing of debate on these amendments?

I ask unanimous consent, Mr. Chairman, that the debate on the pending amendments close in 15 minutes. The gentleman from Massachusetts [Mr. GIFFORD] wishes five minutes, the gentleman from Oregon [Mr. HAWLEY] five minutes.

Mr. RANKIN. Does the gentleman mean the substitute?

Mr. CRISP. The two amendments.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on the pending amendment and the Ramseyer substitute close in 15 minutes. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I wish to express a particular thought which has been running through my mind during the past two or three days. A few days ago the gentleman from Maryland talked much about special privilege. He was "agin it." But to-day he, with many others, seems to believe thoroughly in special penalties. It seems to me highly inconsistent to favor patent special penalties and protest supposed or apparent special privileges. If either one is worse than the other, special penalties should be more condemned than special privileges created through an attempt to protect industry by means of a tariff.

In the last tax bill we recognized the rights of the States in the field of inheritance taxes and credited them with 80 per cent. Has not the committee gone far enough to satisfy everybody when it doubles the last tax imposed and "takes it all," giving the States no portion of this additional amount?

In this form of taxation there is a lack of comity among the States. Certain ones take a portion of a nonresident's tax if the property of the corporation of which he may own shares is located in whole or in part within that State. Nonresidents are taxed in various ways under inheritance laws, and executors find it most difficult to obtain releases and settle such various claims in order to make final distribution. The advice is given us, "Die in your own State; have all your securities in a safe deposit box in that State; have all your securities in corporations organized in that State, and see to it that such corporations own property located only in the same State or else your executor will have to pay as well the various and complicated taxes levied by other States."

We know these conditions. The States have inheritance tax laws of various rates and in various forms which must be satisfied. I repeat that having doubled the amount of this tax and given nothing of the extra amount to the States, we have gone far enough.

It is not within our rights to assail special privileges when we are now so enthusiastic about imposing special penalties on both individuals and classes. [Applause.]

Mr. PATTERSON. Mr. Chairman, all of this talk about the confiscation of wealth and all such, in my judgment, is to drag a red herring across the trail. I feel this is a great day in the history of our country and a lot will be determined as to how we act here to-day. And I believe that if I understand the temper of this House, we will act in the interest of America by raising these inheritance and estate tax rates.

When some Members of Congress propose to levy a sales tax, which will add a burden on the poverty and necessities of our country, I feel that certainly there can be no objection to a proposal to levy a 45 per cent tax on estates of

\$10,000,000 and over and that certainly is no excuse for calling it socialism.

In my judgment, the Ramseyer amendment and the Lewis amendment do not go far enough. Why should you levy the same rate of inheritance tax on estates of \$500,000 as you do on estates of \$100,000,000, as some of these estates are? I think we should have an amendment to the amendment raising that levy when we get into the higher brackets and not stop at \$500,000. The Ramseyer amendment stops at \$10,000,000. Why should we stop at \$10,000,000 and leave the same rate on estates of \$200,000,000 or nearly a half billion dollars as we have on an estate of \$10,000,000?

My friends, it seems to me that to-day we might refer back to the time of old Joshua, when his forces were mustered on the plains of Jordan to assail the walls of Jericho. I feel that we here to-day will show that we are in favor of a tax system which will help America to come more and more into her own for equal opportunities, as was intended by the Constitution.

A great many Members of this House have taken the floor and spoken about the great concentration of wealth in this country. I am one who believes the concentration of wealth and abuse of wealth have caused some of the evils which we face to-day.

There is only one way to get at these great estates and this great wealth. We can not take it away from them and divide it among our people. We do not stand for that, but stand for a system which will remedy the situation. We can remedy these things by taxation. Taxation has two purposes. One is to raise revenue, and we propose to raise revenue under this bill.

I do not see how anyone can object to raising the rates on these great estates, especially when it is proposed to levy a toll or tax of \$15 or \$25 annually on the necessities of life, which would fall heavily on people who are earning only \$1,000 a year. The fact is, that people in my section earn much less than that, the farmers and the laboring men, have almost no income; it has nearly reached the vanishing point, and I for one do not propose to make that burden heavier by adding the weight of this iniquitous sales tax to the people I represent or the people of this country. They say it is easily collected. Sure, for the people will not have high-priced lawyers to try to find loopholes and resist. They are patriotic and will pay, but I shall resist for them to the last the levying of such a tax. Many are walking the streets without work, and yet it is proposed to tax the shoes they must wear and the other things they must buy. I dissent, gentlemen of the Congress, and say the levy we propose here is not near the burden it would be if we put on this sales tax.

Mr. RAMSEYER. Will the gentleman yield for a statement?

Mr. PATTERSON. Yes.

Mr. RAMSEYER. I have had many Members ask me the time in which estates may be settled. The law is one year and six months added without interest, and the commissioner, upon a showing of hardship, can extend that period for three more years. That makes four and a half years all told.

Mr. PATTERSON. I thank the gentleman for that contribution.

Now, members of the committee, the second reason: Apportion the tax where it has to be levied, as it does in all civilized countries, so as to make those most able to pay bear the burden of taxation. This in effect is a social purpose, and its aim in a country with large concentrated wealth, as we have here, is to prevent the further concentration and give the great masses who have now only a small amount of the wealth an opportunity to acquire an income sufficient to have a home and rear a family. Mr. Chairman, I believe every American who works and does his duty and supports the Constitution and the laws and makes his contribution as an American citizen has the right to a home, and to rear a family and prepare them for life and its responsibilities. I do not believe any Member of this House will take the posi-

tion that with the large concentration of wealth, as has been outlined in previous speeches by a number of gentlemen of this House, it is not getting more and more difficult to do this.

In view of this fact I for one stand unqualifiedly now, as I have in the past, to remedy this system as best we may under the laws and Constitution of our great country. So I support a higher estate tax than that recommended by the committee, believing that this is one way of helping bring that about.

I believe we are all agreed that more in wages and income among the great masses of people is needed in this country to increase the purchasing power of our people who are in need. Talk about improving business, what it needs. This will do that. And will anyone question the fact that a sound tax system will contribute to cause these men to put more in wages and thereby make a social contribution to our country? True, this blessing, wealth, is to promote industry and pay wages, which will help men build homes and support families. And, I believe that the right kind of taxes will cause that to be done. I have therefore supported these increases on higher incomes and estates.

Then, finally, will anyone take the position that most of these great estates which have been built up were not accelerated by concessions in many instances given by governments? In all instances they have had protection, and in a great many instances gifts and concessions worth millions; and then, too, I wonder if there are any here who remember the thievery practiced in the old days by selling stock for public-utility developments and then the freeze out, and such like. Then the large pressure on legislatures and city governments—many of these concessions have helped build up these great fortunes. And then, too, as the estates become larger they get international concessions and demand the Army and Navy to defend them. I doubt not there are in our country to-day certain great companies which, if the truth were known, have cost our Government almost as much as 50 per cent of their great estates to defend and protect them in their ruthless methods.

Mr. Chairman, for these reasons and others which time will not permit giving at this time I hope that we will not only adopt these amendments but will, as I say, not stop the graduation of this tax at this figure but will graduate it to correspond on through the very high brackets.

I stand foursquare for principles which will promote labor and develop industry and the resources of our country and preserve the people's right in these things and dispense these blessings to all of our people, and thereby giving better opportunities to our farmers, laborers, professional and business people, to the end that we may remedy the evils which face this country and bring about prosperity and relief for the great masses of our people.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, reference has been made to the estate tax in Great Britain. Great Britain has no local estate taxes such as we have in the States of the United States. There is only one estate tax on an estate in that country while we have two. Taking into consideration the fact that rates are imposed on lower brackets in that country than in ours, our estate tax, as a whole, bears about as heavily upon the estates of this country as the English rates do on estates in England. On the whole our estate taxes are comparable with those in England. But whether our estate taxes aggregate less than those in another country is not the question. What we are to decide is how great a burden should we place. I think it is agreed that England would be better off if they could lower their estate taxes.

Mr. CRISP. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CRISP. I failed to say this: The highest estate tax this country has ever had and collected was 25 per cent in the act of 1924, when there was a rate of 40 per cent. In 1926 that was repealed and made retroactive to 25 per cent. So this country has never had an estate tax of over 25 per cent, while this bill, as reported, makes it 40 per cent.

Mr. RAMSEYER. We had a rate of 40 per cent in 1924.

Mr. CRISP. It was repealed in 1926; it was made retroactive and no taxes were collected higher than 25 per cent.

Mr. RAMSEYER. They were collected but refunded.

Mr. HAWLEY. I think this deserves the attention of the committee: When a man dies his estate immediately becomes frozen assets. The courts, on the one hand, control the action of the administrator or executor; the Federal Government controls his actions to determine the amount of the estate for Federal tax purposes and the State government for State tax purposes. So the estates are tied up in a most unmanageable way, which operates to depreciate the value of the estate, in the first instance.

Immediately upon the death of a decedent the tax liens attach upon the value it has at that time. The fluctuations that may occur later have no effect upon the amount of money to be paid, and this tax lien upon the estate of both the State and the Federal Governments is a burden upon the estate. Estate taxes interfere with the normal operations of business concerns, large and small.

The committee proposes in the bill to levy a reasonable amount of tax upon the transfers from the decedent to those to whom the estate is to be distributed.

I accord to every man the same freedom of opinion as I claim for myself, but there is no justification for an attempt to divide up the estates of this country by means of taxation at this time. We need now, more than ever in the recent history of this country, capital that can be readily availed of in the hands of people who know how to use it to make products, to employ labor, and to reinstate the industries of this country; and not to tie up continually, as men die, great amounts of wealth and place upon such amounts a burden that is not payable in kind, because if the property is in acres of land worth, say, \$100 an acre and there is no sale for the land, the Government and the State demand "money, money, money"—not acres of land, not their proportion of the estate in kind.

This demand for payment of estate taxes in money can not be avoided, but we can be reasonable in the public demand as to the amount to be taken for public uses. An estate tax is a capital levy. The accumulations which have created an estate have paid the various income taxes to the Federal Government, and State and local taxes, unless it consists of tax-exempt securities. The estate tax is a super-tax. While there are some very large estates, the generality of them are of more moderate amounts. The sudden demand for a considerable portion of an estate is an embarrassment that at least can not benefit the businesses in which they are included. If the tax be unreasonably large, it may do serious harm. This is not the time to add a further complication to the business of the country. The rates proposed by the committee are as high, in our judgment, as it is advisable to go, and this conclusion was reached after due consideration.

Mr. PATTERSON. Mr. Chairman, I offer an amendment to the Ramseyer substitute.

The Clerk read as follows:

Amendment offered by Mr. PATTERSON: Just preceding paragraph (c) in the Ramseyer amendment insert the following: "\$7,116,000 upon net estates of \$20,000,000, and upon net estates in excess of \$20,000,000, in addition, 50 per cent of such excess."

The amendment was rejected.

The CHAIRMAN. The question recurs on the substitute offered by the gentleman from Iowa [Mr. RAMSEYER].

The question was taken; and on a division (demanded by Mr. LaGUARDIA) there were—ayes 204, noes 45.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 156, noes 123.

Mr. CRISP. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CRISP and Mr. RAMSEYER.

The committee again divided; and the tellers reported that there were—ayes 190, noes 149.

So the amendment as amended by the substitute was agreed to.

The Clerk resumed the reading of the bill for amendment at page 189, line 15.

Mr. LaGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. It is my understanding that under the consent granted by the House we were to read the inheritance-tax provision, take a vote on any amendment which may be offered, and after that vote we were to proceed with the manufacturers' tax. As I heard the reading of the Clerk, he continues to read on the estate tax. The purpose, as the gentleman from Georgia will recall, was to get the sentiment of the House on the estate tax and let the administrative features and the gift-tax provision go until we disposed of the other matters.

Mr. CRISP. I would say to my friend that that was the understanding, but there are only two or three short sections in connection with the estate tax and I thought we might read them. I want to say to the gentleman that the chief of the drafting division tells me the adoption of the amendment might necessitate one or two little amendments in these other sections to carry out the effect of the amendment just adopted, and I will ask the drafting division to prepare those amendments making effective exactly what the committee has just done by adopting the Ramseyer amendment, and we can refer to that later and offer such amendments.

The Clerk read as follows:

SEC. 402. CREDITS AGAINST TAX

(a) The credit provided in section 301 (c) of the revenue act of 1926, as amended (80 per cent credit), shall not be allowed in respect of such additional tax.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to proceed for 15 minutes.

Mr. PETTENGILL and Mr. O'CONNOR objected.

Mr. ABERNETHY. I can say what I have to say in five minutes. In the first place, I came here 10 years ago, and have followed the Democratic leadership of this House in most instances. I have been almost ultraconservative. I am one of the few Members who do not believe it is necessary to have a tax bill of \$2,000,000,000 to be paid for in two years. I am a Member who does not believe that it is necessary to balance the Budget at this time by such a burden upon the backs and stomachs of the poor when there is so much suffering in this country. I believe in that old doctrine, "God have mercy on the rich, for the poor can beg." [Laughter.]

Now, the House refuses to follow its leadership, and I understand it is a revolt. I came from the country where my ancestors fought in the Revolutionary War. One of my ancestors was in the Provincial Congress of North Carolina. I am not a communist. I am not a bolshevist. I represent the third North Carolina district in Congress, and I am going to be renominated, possibly without opposition. [Laughter and applause.]

I expect to come back. I am not saying what will happen to some of you who vote for this bill. I had the assurance of the leadership of the House that salaries would not be cut. But no set of men can drive me anywhere. I am a \$10,000 a year man. [Applause.] When I came to Congress I was making \$20,000 a year practicing law. [Applause.] Some of you fellows who are hollering and who want to cut salaries may be worth less in your communities than you are receiving now, but I am worth more because I represent the soul of the people. We do not want Congress to be a rich man's club. When it becomes so, privilege will rule in the land.

This bill will never pass in its present form. It was never intended to pass. It now looks as if we are going to break up in a row. If we do, the Secretary of the Treasury is going to issue short-term notes to take care of the deficit made by the Republicans until December, and God have mercy on

our souls as to what will happen after that, I can not tell. [Laughter and applause.]

Mr. O'CONNOR. Mr. Chairman, I move to strike out subdivision (a).

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Page 189, strike out all of lines 16, 17, and 18.

Mr. O'CONNOR. Mr. Chairman, I offer this amendment not as a mere pro forma amendment, but I should like to have the serious attention of the committee. As I understand the situation now, the Ramseyer amendment will raise the amount of Federal inheritance taxes by about \$500,000,000 in addition to existing taxes. Under the provision of subdivision (a) none of that huge additional tax will be credited on account of estate taxes paid to the States. That presents a very serious situation. It was not so serious under the old tax law, where there was \$137,000,000 collected by the Federal Government, of which the States received about \$102,000,000.

Under the Ramseyer amendment, however, this is what you are doing. You are further invading the inheritance-tax field that belongs primarily to the States. The National Government first invaded that field very reluctantly and should not further intrude on the rights of the States. The States also have to raise money to conduct their governments.

In many States of the Union the inheritance taxes have been raised this year and probably will be further increased. When you put this additional burden of half a billion dollars on estates, no part of which goes to the States, you are depriving the States of any possibility of raising money through their inheritance taxes. You are preventing the States from raising revenue in a field which we used to believe belonged exclusively to the States.

I was surprised, in the first place, when the committee in doubling the Federal estate tax did not allow credit for State taxes paid. But that was not so fatal, because the amount of the additional tax was not so large; \$150,000,000, I believe. Now, however, you have increased the additional tax to \$500,000,000 and still deny any credit on those half-billion dollars of taxes paid to the States. I repeat, it presents a very serious situation.

Let me appeal to those Members on my side who still hold some loyalty and allegiance to the doctrine of State rights. If they are Democrats they surely will not take all of the revenue from the States and put it into the Federal Treasury in Washington. It must be that any Democrat who still believes even a little bit in the doctrine of State rights will vote to strike out this provision now that the Ramseyer amendment has been adopted. Robbing the dead for the benefit of the Federal Government was never a doctrine of the Democratic Party. That ghoul policy better becomes the Republican Party.

Mr. CRISP. Mr. Chairman, I hope the amendment of the gentleman from New York [Mr. O'CONNOR] will not prevail. Congress is now endeavoring to raise revenue for the Federal Government to meet the deficit in the Treasury. Our Government is dual in character. We have sovereign States and the United States Government. It is regrettable that there is an overlapping of taxes as between the States and the Federal Government. Either the State government or the Federal Government has a right to levy these taxes, and there is a good deal of duplication. For instance, the United States Government has levied a tax on tobacco for many, many years, and now many of the States are also levying taxes on tobacco. When it was proposed to tax gasoline—and a 1-cent a gallon tax on gasoline will raise \$165,000,000—it was stated that that was the province of the States, that the States were getting a large part of their revenue in that way. The States levy ad valorem taxes on land and property, and the Federal Government does not. I recognize there is some force in the statement of the gentleman from New York, but the object of this bill is to provide revenue for the Federal Government, and the bill does provide that these supertaxes it proposes to collect are not to be prorated back to the States but are all to be re-

tained in the Treasury. The amendment of the gentleman from New York, if adopted, would have the effect of permitting the States to participate in this additional revenue, up to 80 per cent, provided they had an inheritance tax law.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. O'CONNOR. Will the gentleman state whether or not if the committee had contemplated such a huge increase in the estate tax, it would not have considered some part of it going back to the States. I do not say 80 per cent of it.

Mr. CRISP. I can not answer that question because the committee never thought they were going to have these high rates.

Mr. O'CONNOR. Does not that change the situation along the line I suggest? I do not contend necessarily for 80 per cent, but does not the gentleman think in fairness that some of it should go to the States?

Mr. CRISP. I do not think so. I think the States have the power to levy as high income and inheritance taxes as they desire.

Mr. O'CONNOR. They can not go beyond 100 per cent, and if the Federal Government goes up very high we can only get the difference in the States.

Mr. CRISP. We go up to 45 per cent on estates over \$10,000,000.

Mr. RAGON. Mr. Chairman, if the gentleman will permit, I think the full committee did consider the suggestion made by the gentleman from New York, but we considered that the money was so urgently needed by the Federal Government that we should not permit the rebate to the States and, besides, the States would get very little under the present alignment.

Mr. GREENWOOD. Mr. Chairman, I move to strike out the last word. The purpose of this amendment is to raise revenue to meet the deficit. That is the chief object in making this levy on estates higher than the taxes proposed by the bill as it came from the committee. It is to meet this deficit, so as to relieve certain other lines of taxation which I presume from the vote of the committee will be taken when we meet the next section. The gentleman from New York [Mr. O'CONNOR] made a statement that I think might be a little misleading when he said that levying these higher taxes and removing the 80 per cent clause would deprive the State of certain revenues. As I understand the application, it is that there is not a reimbursement from the Federal Government to the State, but that there is a credit to the taxpayer to the amount the estate levies up to 80 per cent. There might be some argument upon the basis of double taxation, but there is no argument upon the basis that the State will lose the taxes levied under the estate tax law.

As I see it, these gigantic fortunes are not made within the boundary lines of any State. They are national and international in character and in their accumulation. The Federal Government is attempting not only to balance the Budget, but it is attempting, in levying this kind of a tax, to dissipate to a large extent these gigantic fortunes, and that, as I take it, is one of the future problems of our country. Since these fortunes are so large and are accumulated from the four corners of our Nation, then, regardless of what the State does as to property within its confines, it is the duty of the Federal Government to levy a proper tax under those circumstances against this wealth that is national in character, so as to meet the deficit now confronting us.

Mr. BLANTON rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BLANTON. I move to amend the O'Connor amendment by striking out all of the O'Connor amendment except the first word.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 189, line 16, strike out all of the O'Connor amendment except the first word.

The CHAIRMAN. The first word is the word "The."

Mr. BLANTON. Mr. Chairman, the portion I want to strike out is all of the amendment except its first word, to all of which I want to address my remarks.

Mr. Chairman, the gentleman from New York [Mr. O'Connor] would ask the Government of the United States to refrain from collecting a tax on estates in order that, forsooth, New York State can raise all the revenue it wants from estates as a first item of consideration. Is not such proposal a little selfish?

Practically all of the municipal bonds of my State are owned by citizens of New York. Bonds for building jails, courthouses, and schoolhouses are owned by citizens of New York, most of them. Bond for street improvements are mostly owned by citizens of New York. Bonds for drainage and irrigation purposes in my State are mostly owned by citizens of New York, and now the gentleman from New York [Mr. O'Connor] wants the exclusive privilege of taxing those estates so that New York State, for instance, can pay its governor a salary of \$25,000 a year, so it can pay its Supreme Court judges, if you please, salaries of \$22,500 a year, much larger than the judges in any other State, so that the mayor of the gentleman's city of New York can have by law a salary granted him of \$40,000 a year—

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I am sorry, not just now; I will in a moment.

Is it not a little selfish to so contend when the great State of New York, within whose boundaries live citizens who own the wealth that comes from all of our States, should ask that the Federal Government step aside so that the State may have a monopoly on taxing most of the big estates in the Nation?

Now I yield to my friend.

Mr. BOYLAN. I would like to say to my friend that he is in error when he states that these bonds are owned by citizens of the State of New York. Let me say to the gentleman, if he wants to build a jail or a new waterworks, what does he do—

Mr. BLANTON. I do not yield further, Mr. Chairman.

Mr. BOYLAN. He goes to the bankers of the State of New York.

Mr. BLANTON. Mr. Chairman, I can not yield further.

Mr. BOYLAN. And they sell his bonds to people all over the United States, and not to the citizens of the State of New York.

Mr. BLANTON. Mr. Chairman, I do not yield further to the gentleman. That is the reason I like my friend, the gentleman from New York, because he is going to do what he wants to do, regardless. [Laughter.]

They do own those bonds. There are citizens in my State, county judges and bankers, coming up here on their way to New York all the time to sell these bonds; and they do sell them in New York. They are owned there, and the men who die there leave them to their estates and they do not have to pay income taxes on them because they are tax exempt during life, and not until death can the Federal Government get any revenue from them.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. In just a moment. I have only a few minutes.

They do not have to pay income taxes on them because these are tax exempt, and that is the reason they find a ready market for them. There are billions of dollars of such tax-exempt securities owned by the multimillionaires of the country. Did not a very distinguished gentleman—I will not mention the position he holds, but he lives in Michigan—by accident come into the possession of a great fortune? Did he not tell it publicly himself that he has invested nearly \$100,000,000 in tax-exempt securities and pays nothing in the way of income tax on that to the Government at all? Talk about going to foreign countries with the

wealth; those men who take their wealth to foreign countries are the very first persons in the world who want Congress to send battleships to China to protect their business there and take a chance on involving this country in war to protect them. They are the first ones to holler for the protection of our flag. Every time there is an opportunity to reach these tremendous estates, I am getting tired of seeing every kind of reason and excuse given for Congress not going after them and making them pay their just proportion of the expense of Government. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BOYLAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. BLANTON].

Mr. Chairman, we hear a lot here about New York. Many people hate New York because they think all the money in the world is in New York. The gentleman from Texas [Mr. BLANTON] takes the floor and says, "Oh, they own all of our bonds. They own our jails, our waterworks, our electric-light companies. They own everything." But do we? Now, you Members are too intelligent to be carried away with a ridiculous statement of that kind. You know the facts. If the city of the gentleman from Texas wants to build a new waterworks or a new power plant or new sewers or any other public improvement, they go to the bankers of New York to sell their bonds, and they are glad to go to New York to get the money, to get their bonds sold. Who buys those bonds? Those bonds are not bought by residents of New York, except by a very small percentage. Why? Some people have the idea throughout the country that we in New York do nothing but go to night clubs at night or take cruises here and there or nowhere. We do not have the time or the money to do that. So, the bankers take those bonds and sell them to the small banks throughout the entire country.

Mr. BLANTON. Will the gentleman yield?

Mr. BOYLAN. In a moment I will. They sell them to every little bank and to the citizens of communities throughout our land. You Members know that we would not have sufficient money in New York to buy all these bonds if the money had to come from the State of New York alone. We would have to be as wealthy as Cresus in order to absorb them, but the money comes from your town, from the North, from the East, the South, and the West. The money comes from all these places to purchase these bonds, and yet we have men coming here and parading up and down this floor saying, "Oh, the great wealth is in the State of New York; let us soak them. They have all the wealth of the country." As a matter of fact, what happens? The bond houses in New York purchase the bonds with your money and the money of every little bank in the entire United States.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. O'CONNOR. The gentleman is aware, of course, that New York has been glad to loan the money to Texas, if no other States will, and the residents of New York did not feel so badly about including those bonds in their estates, but if the defaults in Texas keep on I think Texas will have to look to some other city to get its money. [Applause and laughter.]

Mr. BOYLAN. That possibility might happen.

Mr. BLANTON. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. BLANTON. The securities of the different municipalities of the State of Texas are so good and there are so many financiers anxious to get them that we could sell them elsewhere than in New York; but I do not admit that the gentleman from New York [Mr. O'Connor] has authority to speak for all the bond buyers of New York.

Mr. BOYLAN. Why do you not sell them elsewhere, then, and not come to New York? [Laughter and applause.]

Now, gentlemen, we have got to be calm and conservative. Let us figure what we are going to do. Do not get the idea

in your heads that when you are soaking the rich you are soaking New York. We pay 70 per cent of the entire expenses of this Government, and we ought to have greater consideration than we now receive here.

When this proposed amendment was brought in by the committee they figured, as I understand it, on a yield of about \$150,000,000. It was all right under the circumstances for the entire amount to go to the Federal Government; but now when you have adopted an amendment that will bring in about \$500,000,000, even by dividing it in half and only giving the States 50 per cent, you would get \$100,000,000 more than you anticipated originally. So why should not the States get a part of this increased revenue? There is no legitimate reason why they should not.

I think the amendment offered by the gentleman from New York is fair, reasonable, and just, and that it should prevail. [Applause.]

Mr. RANKIN. Mr. Chairman, I move to strike out the last two words.

I sincerely trust that the committee will not seriously consider adopting the O'Connor amendment. It would not only undo what we have just done, but it would also take away some of the revenue that would have been raised by the original bill.

I agree with the statement that these men of large fortunes have their wealth-gathering enterprises scattered all over the United States and that we all contribute to the building of their fortunes.

But I want to assure the gentleman from New York that we have no prejudice against that great State. I am very fond of every Member from New York, including my distinguished friend, Director CROWTHER, the amiable gentleman from Schenectady.

Why should I have any prejudice against New York? The next President of the United States is coming from the State of New York, Governor Roosevelt. [Applause.]

But this is a matter of raising revenue to balance the Budget of the United States Government, and I certainly trust this amendment will be voted down.

Mr. CRISP. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

Mr. BLANTON. Mr. Chairman, my amendment was pro forma, and I ask unanimous consent to withdraw it.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from New York to strike out subsection (a) of section 402.

The amendment was rejected.

The Clerk read down to and including line 9 on page 190.

The CHAIRMAN. Under the unanimous-consent agreement the committee will now consider Title IV of the bill. The Clerk will read the first paragraph of Title IV.

The Clerk read as follows:

TITLE IV—MANUFACTURERS' EXCISE TAX
SEC. 801. IMPOSITION OF TAX

(a) In addition to any other tax or duty imposed by law, there shall be imposed a tax of 2½ per cent of the sale price (except as provided in subsection (d)) on the sale of every article sold in the United States by the manufacturer or producer thereof, if licensed or required to be licensed under this title, except in the case of—

(1) Sales by a licensed manufacturer to another licensed manufacturer of articles for further manufacture;

(2) Sales by a licensed manufacturer to a registered dealer of articles for further manufacture to be resold to a licensed manufacturer;

(3) Sales by a licensed manufacturer to any person of articles for further manufacture to be resold to a licensed manufacturer, but only if such articles are delivered by the first licensed manufacturer to the second licensed manufacturer;

(4) Sales for exportation;

(5) Sales to a State or political subdivision thereof, or any agency thereof, of articles for use solely in the exercise of a governmental function; or

(6) Sales of articles hereinafter specifically exempted.

Mr. CRISP. Mr. Chairman, by direction of the Committee on Ways and Means I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: On page 225, after line 13, insert the following new paragraphs:

"(1) Sales of food for human consumption (including those grades and forms of articles chiefly used as food for human consumption in the form in which sold or after processing or as material for such food; but not including any article enumerated in subsection (d)).

"(2) Sales of wearing apparel for any part of the body.

"(3) Sales of agricultural implements and machinery.

"(4) Sales of medicines.

"(5) Sales of insecticides, fungicides, and herbicides, if chiefly used for agricultural purposes.

"(6) Sales of malt sirup, in containers containing not less than 50 pounds each, to a baker for use in the making of bread."

Mr. LaGUARDIA. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LaGUARDIA. It is not germane to the section now before the committee for consideration. The section under consideration provides generally a tax on the sale price of articles sold in the United States by the manufacturers or producers thereof. The exceptions provided in this section refer to the class of manufacturers and not to articles. The exemptions of articles from this tax will be found on page 229, section 602. The section is titled "exempt articles." It provides that:

No tax under this title shall be imposed on the sale or importation of the following articles:

(1) Farm or garden products produced in the United States;

(2) Fertilizers and such grades of articles as are used chiefly for fertilizers, or chiefly as ingredients in the manufacture of fertilizers;

(3) Garden or field seeds;

(4) Bran and shorts and feeds for animals or fowls;

(5) Meat, fish (including shell fish), and poultry, fresh, dried, frozen, chilled, salted, or in brine.

There are 24 exemptions of articles.

I submit, Mr. Chairman, that the orderly method of legislating is not to permit nongermane amendments for the purpose of parliamentary advantage, but to proceed with the consideration of a bill in an orderly manner. All exempt articles should be in one section. The exceptions, I repeat, that are mentioned in section 601 are the classes of manufacturers and not the exemptions to articles or commodities not taxed. In other words exceptions of classes of manufacturers are in section 606, while exemptions of articles are in section 601. The gentleman from Georgia, who has forgotten more parliamentary law than I ever will know, and what little I might know about it I think I have learned from the gentleman from Georgia, certainly can not seriously argue that under the bill as it is now drawn, with the provisions for the imposition of tax under 601 and a separate section (602) entirely for exempted articles, that his amendment at this place is germane to this section.

Mr. CRISP. Mr. Chairman, does the Chair desire to hear from me on the point of order?

The CHAIRMAN. The Chair would like to hear the gentleman from Georgia briefly.

Mr. CRISP. Mr. Chairman, this section says that "a manufacturers' sales tax shall be levied except," and it goes on and gives five or six exceptions where the tax shall not apply. This amendment simply adds other matters to which the tax shall not apply, and to save my life I can not see how anyone can argue that this is not germane.

Now, my friend from New York argues that there is another place in the bill where there are exemptions. This may be true. It may be better to have them all together, but from a parliamentary standpoint you do not have to do that. You can have them at two or three places in the bill if you desire if they are germane.

The CHAIRMAN. The Chair is prepared to rule.

Mr. CANNON. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, may I call attention to the fact that we are not proceeding in order? A member of the committee desired to submit a point of order and was denied recognition.

The CHAIRMAN. The Chair will say to the gentleman from Missouri he did not know that any member of the committee desired to make a point of order, otherwise he would certainly have recognized him. Was the gentleman from North Carolina on his feet seeking recognition to make a point of order?

Mr. DOUGHTON. Yes; I was, Mr. Chairman.

Mr. CRISP. Mr. Chairman, may I say this in order to clear up the situation? I have conferred with my friend from North Carolina [Mr. DOUGHTON]. It was my purpose when the section was read to offer the amendment, and then my friend from North Carolina was on his feet expecting to move to strike out the paragraph, with notice that if that motion prevailed, he would move to strike out all succeeding paragraphs. I was then going to move that the committee rise and leave these matters pending for consideration by the committee to-morrow or Thursday. Some of my friends say they think the Members need a rest and that I myself need a rest, in particular, and suggested not taking up the bill Wednesday, so I shall not ask to dispense with Calendar Wednesday but will let it go over until Thursday.

The CHAIRMAN. The Chair desires to reiterate that if he had known that any member of the committee desired to make a point of order, in accordance with custom he certainly would have recognized him. The Chair regrets, if the gentleman from North Carolina desired recognition, he did not see the gentleman on his feet at the time.

Mr. CANNON. The gentleman from North Carolina was on his feet asking recognition for the purpose of submitting a question of order.

Mr. CRISP. Mr. Chairman, I ask that the gentleman be permitted to make the point of order.

Mr. LAGUARDIA. Mr. Chairman, I am perfectly willing to give way to the gentleman.

The CHAIRMAN. Does the gentleman from North Carolina desire to make the point of order?

Mr. DOUGHTON. No; I do not, inasmuch as the point has been made. It was my purpose to make the point of order, but the gentleman from New York was recognized.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. CANNON. Mr. Chairman, Title IV of the bill contains a number of sections, each providing for a different division of the subject matter under the title. Section 601, imposition of the tax; section 602, exempt articles; section 603, tax on sales by registered dealers; section 604, sale price; and so on. The pending section, which is section 601, imposes a sales tax with provisions intended to prevent the manufacturer from passing it on. Section 602 relates exclusively to exemptions. The amendment offered by the gentleman from Georgia proposes to amend the pending section by inserting exemptions. In other words, his amendment would be germane to section 602 but is not germane to section 601.

It has been an established principle of parliamentary law from time immemorial that where there are a number of paragraphs relating to a particular subject, matter which is germane to one of them can not be offered to any of the others, but must be offered to the particular paragraph to which it is germane.

If the gentleman desires to add to the number of exemptions, he should offer his amendment to section 602, which deals with exemptions. They are germane to that section and they are not germane to any other section of the bill.

Let me cite decisions on this point by some of the most eminent parliamentarians who have presided over the Committee of the Whole. There are a great many of them, Mr. Chairman, but I shall take the time of the House to read only one or two.

On March 10, 1902, the Committee of the Whole was considering H. R. 11728 when Mr. George W. Smith, of Illinois, offered an amendment to a specific paragraph in the bill, and Mr. CLAUDE A. SWANSON, of Virginia, made the point of order that it was not germane to that particular paragraph.

The CHAIRMAN. What is the gentleman citing?

Mr. CANNON. I am citing section 5818 of Hinds' Precedents, holding that an amendment must be germane to the particular paragraph to which it is offered.

Mr. Frederick H. Gillett, later Speaker of the House, was presiding as Chairman of the Committee of the Whole and made this decision:

The Chair is clearly of the opinion that inasmuch as the bill is now being considered by paragraphs—

And that is true of this bill—

and inasmuch as the amendment offered by the gentleman is expressly covered by paragraph 4 and other paragraphs of the bill—

Just as the amendment proposed by the gentleman from Georgia is covered by section 602 of the pending bill—

Mr. CRISP. Will the gentleman from Missouri yield?

Mr. CANNON. Gladly.

Mr. CRISP. If the Chair will look at page 226, line 5, of the paragraph now before the committee, the language is "sales of articles hereinafter specifically exempted," the tax shall not apply. It is in the same paragraph and why can you not add other articles in this same paragraph to be exempted?

Mr. CANNON. For the very reason, Mr. Chairman, that the reference cited by the gentleman specifically relegates all exempted articles to section 602. When you turn to the list of articles "hereinafter specifically exempted" you find they are under section 602 and not under the section the gentleman seeks to amend.

As held by the Chairman, in this decision they are germane only to the section which covers them, and that section is section 602. And the gentleman can not amend section 602 until it is reached in the reading of the bill. Here is the authority. Speaker Gillett continued:

Inasmuch as the amendment offered by the gentleman is expressly covered by paragraph 4 toward the close of the bill this amendment is germane to that paragraph and not to the paragraph now under consideration.

Just as the amendment offered by the gentleman from Georgia is germane to section 602 and not to the paragraph now under consideration.

Again, Mr. Chairman, on March 25, 1904, section 5820 of Hinds' Precedents, a point of order was made against an amendment germane to another paragraph of the bill than that to which proposed.

Chairman Boutell, of Illinois, held:

If an amendment is more appropriate to one paragraph than to another, it is not to be considered germane to the paragraph to which it is less appropriate. Therefore the point of order is sustained.

Certainly no one will contend that the amendment offered by the gentleman from Georgia is not more appropriate to section 602 than it is to the pending section.

Mr. Chairman, I could cite many more precedents, but the House is impatient. The law of the House on this point has been settled for more than a century. Amendments must be germane not only to the bill but to the paragraph to which offered. The gentleman's amendment is germane to section 602 and is not in order at this time.

It may be contended, under the familiar rule of amending a general subject by a subject of the same class, that the exemptions proposed by the gentleman from Georgia are admissible with the exceptions under the pending paragraph. That theory is wholly untenable. They are not of the same class. Read them. These exceptions relate to methods of sale and not to lists of exemptions. In the language of Chairman Boutell the exemptions proposed by the amendment are "more appropriate" to section 602, listing all exemptions made by the bill. And they are "less appropriate" to section 601, to which the gentleman has offered them.

Therefore we submit on the authority cited that the amendment is not germane and is not in order at this time, and can not be offered until the section of the bill dealing with exemptions is reached.

The CHAIRMAN. The gentleman from Georgia, acting chairman of the committee, offers an amendment, which has

been reported at the Clerk's desk. On page 225, after line 13, he proposes to insert the following new paragraph.

This bill is being considered by major paragraphs under agreement of the committee. This major paragraph (a) on page 225, extends down to and including the words through line 6 on page 226. The place at which the gentleman from Georgia [Mr. CRISP] offers this amendment follows the following language:

On the sale of every article sold in the United States by the manufacturer or producer thereof, if licensed or required to be licensed under this title, except in the case of—

Then the section enumerates six different exceptions from the general provisions of the bill. The Chair, of course, has very great respect for the parliamentary wisdom and experience of the gentleman from Missouri [Mr. CANNON], who argues in favor of the point of order, but in the opinion of the Chair this amendment clearly comes within the general proposition that a general subject may be amended by specific propositions of the same class, and as the Chair sees the purpose and intent of the amendment offered by the gentleman from Georgia, it merely enlarges the exceptions which are provided in this major paragraph (a) of the bill. The Chair is of opinion that the amendment is germane at this point, and therefore overrules the point of order.

Mr. LAGUARDIA. Mr. Chairman, I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from New York appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee?

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 227, noes 21.

So the decision of the Chair stood as the judgment of the committee.

Mr. CRISP. Mr. Chairman, we have had some understanding between the different gentlemen interested on both sides of this question. As I understand it, when this amendment was offered, then the gentleman from North Carolina [Mr. DOUGHTON] was to move to strike out the paragraph. Then I was going to move that the committee rise. If the gentleman from North Carolina does not care to offer his amendment, I shall move that the committee do now rise.

Mr. DOUGHTON. Mr. Chairman, I offer the following amendment. I could not offer it until I had received recognition.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Page 225, strike out paragraph (a), beginning with line 8, on page 225, down to and including line 6, on page 226.

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. The gentleman from North Carolina should give notice that if his amendment be adopted, then he will move to strike out all of the succeeding paragraphs except that relating to foreign oil, and that notice ought to be given now.

Mr. DOUGHTON. Of course, I shall.

Mr. CRISP. The gentleman from North Carolina says that he does not care to debate the amendment at the present time. I move that the committee do now rise.

Mr. LEHLBACH. Mr. Chairman, will the gentleman from Georgia withhold that motion so that I can offer an amendment and have it pending? It is an amendment to the committee amendment, and I desire to have it pending. It will be printed in the RECORD.

The CHAIRMAN. Does the Chair understand that the gentleman from New Jersey asks unanimous consent to have an amendment read for information?

Mr. LEHLBACH. No; I offer the amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New Jersey.

Mr. STAFFORD. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. A motion has been made by the gentleman from North Carolina to strike out certain parts. That is preferential. No other motion can be made in the present status of affairs.

The CHAIRMAN. The parliamentary situation is this: The gentleman from Georgia stated that the committee under agreement was about ready to rise. Pending that, the gentleman from North Carolina offered an amendment which has been reported. Thereupon the gentleman from New Jersey offers an amendment to the committee amendment. The point of order of the gentleman from Wisconsin is overruled.

Mr. HARLAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARLAN. If there are any additional amendments to be offered from the floor, assuming that the amendment offered by the chairman of the committee is adopted, will additional amendments be in order?

The CHAIRMAN. All proposed amendments should be offered to the committee and disposed of in order, as proposed.

Mr. GREEN. Mr. Chairman, a parliamentary inquiry. I also have an amendment, and I am wondering if it can be offered and remain as pending after the one is disposed of now.

Mr. DYER. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is that the Clerk report the amendment offered by the gentleman from New Jersey. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEHLBACH: Amend the committee amendment by adding at the conclusion thereof:

"Merchant vessels constructed in American shipyards under the provisions of the merchant marine acts of 1920 and 1928, as amended, and all material, equipment, and furnishings therefor, for which the Government has agreed to loan more than 50 per cent of the cost."

Mr. DOUGHTON. Mr. Chairman, I desire to give notice that if my amendment is adopted I shall then move to strike out the succeeding paragraphs of the section.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. As to the present legislative situation, with the gentleman from Georgia offering one amendment, the gentleman from North Carolina offering a motion to strike out, and the gentleman from New Jersey offering an amendment to the amendment offered by the gentleman from Georgia, when will we vote on the motion to strike out?

The CHAIRMAN. That will be the last matter to be considered under the present parliamentary situation.

Mr. HARLAN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The offer is out of order. There is an amendment pending.

Mr. CULLEN. Mr. Chairman, I have an amendment that I wish to offer and have it lay on the desk until Thursday. I ask unanimous consent that it be read by the Clerk, so that the House will know what the amendment is.

The CHAIRMAN. The gentleman from New York [Mr. CULLEN] asks unanimous consent that there may be reported an amendment, which he sends to the desk, for the information of the House.

Is there objection?

Mr. GREEN. Mr. Chairman, reserving the right to object, and I shall not object, I would like to couple with that a short amendment—

Mr. DYER. Mr. Chairman, the regular order.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from New York [Mr. CULLEN]?

Mr. BLANTON. Mr. Chairman, reserving the right to object, with the understanding that a point of order is considered with reference to it, I shall not object.

The CHAIRMAN. The amendment is offered only for information.

Is there objection?

There was no objection.

The Clerk read as follows:

Amendment by Mr. CULLEN: Page 228, after line 19, insert a new paragraph, No. 2-A:

"That there shall be levied and collected on all nonintoxicating beer, lager beer, ale, porter, or other similar nonintoxicating fermented liquor containing one-half of 1 per cent and not more than 2.75 per cent of alcohol by weight brewed or manufactured and hereafter sold or removed for consumption or sale within the United States by whatever name such liquors may be called a tax at the rate of 3 cents per pint, such article to be bottled at the brewery: *Provided*, That no such article shall contain more than 2.75 per cent of alcohol by weight, and provided further that the manufacture and transportation of such articles shall be conducted under permits to be issued in accordance with the national prohibition act and under such regulations, including assessment and collection of the tax, as shall be promulgated by the Secretary of the Treasury and the Attorney General of the United States: *And provided further*, That no such article shall be permitted to be transported into any State or Territory of the United States, or the District of Columbia, the laws of which forbid the manufacture or sale thereof."

Mr. GREEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. Mr. Chairman, I would like to inquire if I may now offer an amendment to be read for the information of the House?

The CHAIRMAN. The gentleman can do it by unanimous consent. Does the gentleman submit that request?

Mr. GREEN. Yes, Mr. Chairman. I ask unanimous consent that the amendment which I send to the desk be read for the information of the House and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. DICKSTEIN. Mr. Chairman, I object.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLANCY. I would like to ask the Chair if he will entertain a unanimous-consent request that I be permitted to address the House for three minutes to defend the character of Senator JAMES COUZENS, who was attacked here this afternoon, in that it was charged he had made a large fortune by accident, and that Mr. COUZENS had said he had "invested \$100,000,000 in tax-exempt bonds," the inference being that Mr. COUZENS had done so to escape his rightful share of taxation?

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that he be allowed to address the House for three minutes, out of order. Is there objection?

Mr. SCHAFER. Mr. Chairman, reserving the right to object, such defense would violate the rules of the House, and I object.

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. BACHMANN) there were ayes 208 and noes 6.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RAMSPECK (at the request of Mr. TARVER), for the remainder of the week, on account of illness.

ORDER OF BUSINESS

Mr. CRISP. Mr. Speaker, I want to give notice that I will not call up this bill to-morrow, Calendar Wednesday, but will call it up Thursday.

"THE KING CAN DO NO WRONG"

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMNECK. Mr. Speaker, for a quarter of a century in most of the States, and since the adoption of the eighteenth amendment in the Nation, the prohibition question has been the paramount issue in the politics of those States and the Nation. Not that this question has been the most important one for consideration, but, rather, that it has been pushed to the front in political campaigns and in legislative bodies as a sure-fire instrument of success; and for that reason there has grown a system of logrolling, wire-pulling, back-scratching politics which has given the professionally dry lobbyists and the politically dry legislators the unconquerable incentive to ignore or stifle legislation having to do with other matters.

It will be readily conceded that at present there are a number of problems more pressingly important than that of prohibition—matters of foreign reparations and debts, the tariff, the collapse of the golden era of prosperity, the recurrent fears of another war, unemployment, the dire distress of the American farmer—all these, most certainly, merit a consideration more urgently than the prohibition problem. No matter how pressing the need, however, for the solution of vitally important economic problems; no matter how perfect an instrument for the solution of any particular problem a proposed bill may be; no matter how ideally and practically equipped and qualified a candidate may be to meet and deal with conditions which indicate his policies as the remedy, the wet-or-dry question is brought to the front, and the solution of the more urgent problem is postponed, the promising bill is pigeonholed or emasculated, and the candidate, if he takes a stand or is even branded as wet or dry, suffers the hostility of a large element of the electorate, and in many cases is defeated by a nonentity who passively represents the prevailing wet or dry notion of the community.

An administration which has been the beneficiary of the dry vote, whether it deserved it or not, may be ever so unhappy and discredited in its handling of oil and other scandals, of dealing with the giant utility and power menace, or of farm relief and unemployment, yet it can always count on apologists and champions among the kept men of the big interests who have had their way, and the professional drys whose activities have been encouraged. Behind the smoke screen of prohibition controversy the interests have dug in and consolidated their lines, while the wet and dry lobbyists and leaders—not the rank and file of their sincere supporters—have been indifferent toward all other issues.

The eighteenth amendment and the Volstead law enacted in pursuance thereof were acclaimed as the final settlement and repose of the liquor question.

The "Wickersham" report has shown that there has been no settlement or repose, but, on the contrary, that the liquor question is involved in a maze of confusion as complicated as that which the commission itself brought forth. The chief thing proved by the Wickersham report is the interesting psychological fact that convictions and prejudices in reference to prohibition are largely matters of emotion, not reason; largely matters of temperament, not cogitation.

As a lawyer briefs a lawsuit, each member of the commission sorted out those facts best suited to his preconceived notions and ignored the others. There was little, if any, changing of opinions, and the result was not a coherent statement of fact or even an intelligent compromise of conflicting prejudices; but, on the contrary, we beheld an instrument crammed with contradictory and confused findings, opinions, and recommendations. The Wickersham report, indeed, was not the report of the commission itself; it was, rather, the report of the individual members of the commission.

All signs indicate that determined forces are working toward what might well be termed the isolation of this issue, which, like a Halloween pumpkin face, has been so long and so successfully raised up to frighten or divert our politicians and statesmen from the consideration of more important things. It will not be long until a solution will be found for this troublesome question the undue attention to which has so often stood in the way of our fairly discussing or dealing with any others.

Lao-tsze, the great oriental philosopher, more than two centuries ago said, "As restrictions and prohibitions are multiplied in the state the people grow poorer and poorer. When the people are subjected to overmuch government the land is thrown into confusion." Whether it be from the restrictions and prohibitions which have been multiplied about us or not, the fact remains that this generation is in a period of Babel-like confusion. It is manifest in the controversies within the religious denominations, the conflicts between factions of political parties, the lessening influence and declining membership of many fraternal societies, the emphasis by business corporations of size at the expense of service and of efficiency over the soul, and in thousands of other ways throughout the whole structure of our society. There is hopeless confusion in voices among those who have come forth with suggestions for ways out of the seemingly hopeless muddle in which we find ourselves over the liquor question. It is no use to debate the question as to whether we have come where we are because the amendment and the law could not be enforced, or because there has never been a "sincere attempt" to enforce them. We are where we are. To get out some have proposed the repeal of the prohibition amendment, a plan impossible so long as there shall remain 13 dry States.

Others would amend the Volstead Act as to alcoholic content of liquor, but this plan, with the usual and probable number of dry Congressmen in our legislative halls—both sincerely and only politically so, is not yet an early possibility. Among the alternatives proposed in the event of repeal have been the remanding back to the States of the power to prohibit or permit the traffic and the setting up by the Government of machinery for controlling the manufacture and distribution of intoxicating liquor. The only suggestion in all the opinions of the Wickersham Commission, which might be said to approximate a consensus was the "Anderson plan." It will most likely be some such a plan which will ultimately be adopted, and which will most nearly represent a consensus of public opinion as to what should be done. Such a plan would have these results: The elimination of profit from the traffic and the removal of all incentive to the bootlegger, bandit, and racketeer to engage in it; the product would be pure and free from poison and could be obtained at a price near the actual cost.

In their groping for a way out the sponsors of the various plans and schemes have been much like the bewildered motorist whose car balks and stops, and who proceeds to explore and inspect the entire mechanism to discover the source of trouble; last of all he looks into and finds his gasoline tank empty. Some things in the law are so fundamental that they are rarely remembered. And it is just possible that fundamentals have been overlooked in the endless discussions of prohibition. It is the purpose of this article to present a very ancient but yet living fundamental proposition of law.

That the law is by no means an exact science has been impressed upon the mind of lawyer and layman alike by the many divided decisions of the United States Supreme Court. The lawyer must in many situations found his advice or opinion upon what he believes the majority view of the courts would be. In cases of doubt, one guess is as good as another until the guess of the court of last resort becomes the law of the land for the time being.

One of the ancient maxims of the law is "Rex non potest peccare," or "The king can do no wrong." There is another maxim, complementary to that, which, in translation, reads, "The king is not bound by any statute, if he be not expressly named to be so bound."

Blackstone (Commentaries, vol. 1, ch. 7, sec. 262), discussing prerogative of the King, says:

I shall only farther remark that the King is not bound by any act of Parliament, unless he be named therein by special and particular words. The most general words that can be devised (any person or persons, bodies politic and corporate, etc.) affect not him in the least, if they may tend to restrain or diminish any of his rights or interests.

In Broom's Legal Maxims (Ninth Ed. Byrne, p. 51) is this proposition, supported by numerous English decisions:

In general, the King is not bound by a statute, unless mentioned expressly or referred to by necessary implication; "for it is inferred, *prima facie*, that the law made by the Crown, with the assent of the Lords and Commons, is made for subjects and not for the Crown"; and the general rule is that the Crown is never bound by a statutory enactment unless the intention of the legislature to bind the Crown is clear and unmistakable.

In the same work—page 52—the author, illustrating the principle, mentions several regulatory laws which were held in the cases cited as not applying to or binding upon the King. It is said:

So, too, the Crown is not bound (except where expressly mentioned) by the provisions of the bankruptcy acts, nor by the locomotive act, 1865, which regulates the speed at which locomotives may proceed on highways, nor by the public health act, 1875, or other acts imposing pecuniary burdens on property, or restraining the use of property.

In America there is no king, but we do have an uncrowned monarch known as the will of the majority, and that monarch of ours has all the necessary attributes of a crowned king, namely, sovereign power.

The principle that the king can do no wrong and is not bound by any statute unless expressly so intended has been adopted and firmly established as the law in America. It has been upheld by many decisions through the years, although the occasion for its application does not often arise. A few only of the decisions, typical of the theory and reasoning of all, will be noticed.

The first is the early case of *State ex rel. Parrott v. Board of Public Works* (36 Ohio State, 409). The third paragraph of the syllabus reads:

The State is not bound by the terms of a general statute, unless it be so expressly enacted.

At page 414, in the opinion by Chief Justice McIlvain, one of the greatest of Ohio jurists, is the language:

The doctrine seems to be that a sovereign state, which can make and unmake laws, in prescribing general laws intends thereby to regulate the conduct of subjects only, and not its own conduct. * * * Indeed, the doctrine of the common law expressed in the maxim "the king is not bound by any statute, if he be not expressly named to be so bound" (Broom Leg. Max. 51), applies to States in this country as well.

That case was cited with approval and commented upon by the Ohio Supreme Court in the case of *State ex rel. Attorney General v. Cincinnati Central Railway Company* (37 Ohio State, 157, 176) as follows:

The principle is well established and is indispensable to the security of the public right. The general business of the legislative power is to establish laws for individuals, not for the State.

Congress at one time enacted a law prohibiting the sale of intoxicating liquors in the District of Columbia by any person without a license. The court held that by that act Congress did not intend to prohibit the continuance of such sales in the Capitol restaurants under arrangements with its own committees. (Page v. District of Columbia, 20 App. D. C. 469.)

The "police power" in our system of government has been exerted in accordance with the principle of another ancient maxim, "The welfare of the people is the supreme law." It is the inherent power of self-preservation possessed by every constitutional government. No definition of this power satisfactory to lawyers or courts has been given, but one excellent one was given in an informal way by the late Chief Justice White. He stated in substance that the police power is a power which is coextensive with the necessity for it. Typical definitions of a more formal sort follow:

The police power in its broadest acceptation means the general power of a government to preserve and promote the general wel-

fare by prohibiting all things hurtful to the comfort, safety, and welfare of society and establishing such rules and regulations for the conduct of all persons and the use and management of all property as may be conducive to the public interest. (22 Am. & Eng. Enc. Law, 916.)

The Supreme Court of the United States has held that—

The police power of States extends to the protection of lives, limbs, health, comfort, morals, and quiet of society. (83 U. S. (16 Wall.) 21, 394.)

Again:

It may be said in a general way that the police power extends to all the public needs. (*Camfield v. United States*, 167 U. S. 518, 42 L. Ed. 260, 17 Sup. Ct. Rpt. 864.) It may be put forth in aid of what is sanctioned by usage or held by the prevailing morality or strong and preponderant opinion to be greatly and immediately necessary to the public welfare. (*Bank v. Haskell*, 219 U. S. 104, 111, 55 L. Ed. 112.)

In the case of *Boston Beer Co. v. Massachusetts* (97 U. S. 25, 24 L. Ed. 989) the court said:

Whatever differences of opinion may exist as to the extent and boundaries of the police power, and however difficult it may be to render a satisfactory definition of it, there seems to be no doubt that it does extend to the protection of the lives, health, and property of the citizens and to the preservation of good order and the public morals. The legislature can not, by any contract, divest itself of the power to provide for these objects. They belong emphatically to that class of objects which demand the application of the maxim "*Salus populi suprema lex*," and they are to be attained and provided for by such appropriate means as the legislative discretion may devise. That discretion can no more be bargained away than the power itself. (*Boyd v. Alabama*, 94 U. S. 645, 24 L. Ed., 302.)

The police power under our constitutional system has been left to the States; it has at all times belonged to them, was never surrendered by them, and has not been directly restrained by the Federal Constitution. That proposition is too well established to call for supporting authorities. The legislative body can not be divested of its discretion to legislate under the police power; that power is not exhausted by a single employment of it, but may be used again and again, as often as the public interests may require.

Prohibition legislation falls under the police power and such measures are under the reserved powers of the several States. The police power of a State extends to all matters relating to the peace, health, safety, and morals of its citizens, and everything pertaining to its domestic economy. (*U. S. v. DeWitt* (9 Wall. 41, 19 L. Ed. 593); *Federalist*, No. 45, 216, *Passenger cases* (7 How. 523, 550); *Groves v. Slaughter* (15 Peters 512); *License Cases* (5 How. 589, 631); *Holmes v. Jennison* (14 Peters 568); *Gibbons v. Ogden* (9 Wheat. 203.)

Most persons have read about and heard of the eighteenth amendment, but few, indeed, have ever seen it. It is well for that reason to give it here.

AMENDMENT XVIII

SECTION I

After one year from the ratification of this article, the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

SECTION II

The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

The precise wording of the amendment justifies the following conclusions: First, there is no absolute mandate to Congress or the State legislatures to enact enforcing legislation; second, it recognizes and leaves unimpaired the police power of the States; and third, it leaves the propriety of enforcement acts to the discretion of the lawmaking bodies.

Exercising its concurrent power, Congress enacted the Volstead law, which provides (U. S. C., chap. 27, sec. 12) that—

No person shall manufacture, sell, barter, transport, import, export, deliver, furnish, or possess any intoxicating liquor except as authorized in the chapter—

And so forth.

The act defines the word "person" to mean and include natural persons, associations, copartnerships, and corporations.

It will be observed that the eighteenth amendment and the enforcing acts by Congress and State legislatures do and can only prohibit and penalize the manufacture, sale, and so forth, of intoxicating liquors by natural persons, as individuals, or as associates in one or another form of volunteer or corporate entities. The amendment, the Volstead Act, and the various State laws enacted under it, have not closed the door to Congress or the State legislatures against further exercise of their power to act again and again, as changing conditions may require, or as may be held by a "strong and preponderant opinion to be greatly and immediately necessary to the public welfare." There is nothing to prevent Congress or the State legislatures from setting up Federal or State machinery for working out some such a system as the "Anderson plan" to control and regulate the manufacture and distribution of intoxicating liquor.

On the contrary, the clear right of Congress or the several legislatures to do that very thing has been declared by the Supreme Court of South Carolina, and by the Supreme Court of the United States, as will be seen from the following cases:

3. The State, under its police power, can itself assume entire control and management of those subjects, such as intoxicating liquor, that are dangerous to the peace, good order, health, morals, and welfare of the people, even when trade is one of the instruments of such State control.

4. The South Carolina dispensary act of 1893, making all alcoholic liquors contraband and subject to seizure unless bought from a State officer whose appointment is provided for, and who is not addicted to the use of such liquors as a beverage, and providing that the liquors sold by him shall be tested and found pure before sale and can be sold only in the daytime and by the package which can not be broken nor the liquor drunk on the premises, and that no sale shall be made to a minor, person intoxicated, or in the habit of drinking to excess, or unknown to the dispenser, and that a majority of the voters in any township may prevent the establishment of a dispensary therein, is a valid exercise of the police power of the State.

7. The constitutional reservation to the people of all powers not delegated does not restrict the exercise of the police power so as to defeat the assumption by the State of the exclusive control and management of the sale of intoxicating liquors. (*State ex. rel. v. Aiken*, 42 S. C. 222, 3d, 4th, and 7th Syl.)

The United States Supreme Court recognized the right of South Carolina, in the exercise of its sovereign power, to take charge of the business of selling intoxicating liquors. (*State of S. C. v. U. S.*, 199 U. S. 437, 50 L. ed. 261.)

In all of these decisions the rights of the States in cases identical with the problem under consideration were recognized. It has become a legal commonplace for the State to do or refuse to do anything prohibited or enjoined to be done by others in our State or National statutes, so long as the State, as in the prohibition amendment and the Volstead Act, is not expressly mentioned as being bound. Each State undeniably has the right under existing laws to pass such legislation as it pleases to provide for the manufacture and sale within its borders of intoxicating liquors, all, of course, as an incidental part of its sovereign power. Each State may take over the entire intrastate liquor traffic as its exclusive province, and by virtue of the eighteenth amendment and the Volstead Act or by further State legislation stifle all bootleg competition. Upon the premise that the State is not expressly prohibited from such acts under the eighteenth amendment, the lawful exercise of this inherent right is scarcely open to dispute.

The cure for the beverage ills of the Nation, the prevalence of lawlessness, which is incidental to prohibition enforcement such as we have had, even a large portion of the misconduct and immorality of our younger generation—to whom drinking is not a pastime or a pleasure but seemingly a social obligation—the cure for these ills lies in the serious consideration of fundamental legal principles.

There is no need, as a matter of fact, to worry about the repeal of the eighteenth amendment or any of its enforcing legislation. Let them stand as a deterrent to the offenses which cling to the illicit private manufacture and sale of liquor. With State or Government control, attractive

profits would be eliminated, the purity and safety of the products assured, and the opportunities of the furtive purveyor of "white mule," "synthetic gin," "bottled in the barn," or the various kinds of "real stuff" would be rare, indeed. Better still, the long-running controversy would be either ended or relegated to the background of academic concern, and the professional lobbyists, both wet and dry, who obey the command of Iago, "Put money in thy purse; follow thou the wars," will be obliged to take on another line.

BRIDGE BETWEEN DAVENPORT AND MOLINE

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to insert two letters in the RECORD. These are from the mayor of Davenport and a business man of that town. They are in relation to a bridge bill that was passed yesterday, and pertain to my statement that the city of Davenport has voted a bond issue for the construction of the bridge.

The SPEAKER. Is there objection?

There was no objection.

Mr. JACOBSEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters from the mayor of Davenport, Iowa, and a business man there pertaining to my statement yesterday that the city of Davenport has voted a bond issue for the construction of a bridge between Davenport and Moline:

JANUARY 28, 1932.

Congressman B. M. JACOBSEN,
Washington, D. C.

HONORABLE SIR: Mr. J. L. Hecht, a member of the bridge commission, is forwarding to you a bill to extend the time limit on the building of a bridge between Davenport and Moline.

The people of Davenport voted for this bridge last summer at a special election, and it was carried by a vote of three to one.

We are very much interested in having this extension of time, due to the fact that the bonds will be revenue bonds and the market is none too good at the present time.

Please give this your consideration and cooperate with Congressman ALLEN, from Illinois, who I feel well satisfied will help you in having this time extended.

Sincerely yours,

GEORGE C. TANK, Mayor.

FRENCH & HECHT (INC.),
Davenport, Iowa, February 13, 1932.

Hon. B. M. JACOBSEN,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Replying to your favor of February 11, 1932, regarding request of Mr. RAYBURN, chairman Committee on Interstate and Foreign Commerce, asking for further information regarding activities in connection with the proposed bridge.

Considerable engineering has already been done. This engineering has included location of terminals, location of piers, length and number of spans, and the determination of other data as required by the Board of Army Engineers.

The city of Davenport, by special election, voted a municipal revenue bond issue for the purpose of financing this project and making it a municipal bridge. The individuals to whom this franchise was originally granted have entered into an agreement with the city of Davenport to the above effect.

The communication sent you by the mayor of Davenport also substantiates what is here said.

Arrangements have been made with a banking house to finance this proposition as soon as it is possible to do so.

Arrangements have also been made with the engineering firm of Modjeski, Masters & Chase to engineer and build the bridge.

We have held hearings before the Board of Army Engineers and have met all requirements. We now have a permit issued by the Board of Army Engineers to proceed with this work.

I should be pleased to give any further information desired.

Please be assured that your interest and attention in this matter are very much appreciated.

Sincerely yours,

J. L. HECHT.

Copy to Masslich & Mitchell, Mr. Masters, Mr. Chase, Mr. Harris.

LEAVE OF ABSENCE

Mr. GILBERT. Mr. Speaker, I have been absent from the House by reason of an automobile accident, which I regret, and by reason of certain litigation pending in Kentucky I feel constrained to ask leave of absence for an indefinite period.

The SPEAKER. Is there objection?

Mr. RAINEY. Mr. Speaker, we now have under consideration most important legislation. I sympathize with the gentleman and I have no doubt the business he desires to

attend to in Kentucky is of tremendous importance, otherwise he would not make this request. However, the gentleman is one of the effective Members of this House, and while I regret very much to do so, I am compelled to object.

PROPOSED AMENDMENT TO THE REVENUE BILL OF 1932

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to have printed in the RECORD at this point, for the information of the Members, an amendment I propose to offer at the end of title 4 of the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

The proposed amendment follows:

Page 250, line 24, after the word "Title," strike out the period, insert a colon, and add the following:

"Provided, That if at any time prior to June 30, 1934, the President finds that for a period of 60 days the average wholesale commodity price level is within 10 points as high as the average wholesale commodity price level of the year 1926, indicated by the figure 100 in the Revised Index of the Bureau of Labor Statistics of the Department of Labor, he shall issue a proclamation to that effect, and upon the issuance of such proclamation the provisions of this title shall cease to be in effect."

THE SALES TAX

Mr. BACHMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial of the Wheeling Register under date of March 16 against the sales tax.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACHMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Speaking before the Republican State committee at its recent meeting in Parkersburg, Senator H. D. HATFIELD made a strong and unassailable case against the gross-sales tax. As he sees it—

"The gross-sales tax as applied in West Virginia is iniquitous, unfair, and unjust. In many instances it taxes the unprofitable business. It exacts duplication of taxation in the process of conversion of the raw material into the finished product. It taxes the hospitals that are never profit making. It taxes the new born and the dead alike in its application.

"It is ramifying in its application without a beginning or end. It exacts the same toll from the unprofitable as it does from the profitable business."

A more concise or accurate description of the gross-sales tax in West Virginia could hardly be given.

And every word that Senator HATFIELD says about the inequitable West Virginia measure applies with equal truth and force to the proposed manufacturers' sales tax which would be spread over the entire Nation.

If the manufacturers' tax were given its proper name it would be called not a manufacturers' tax but a consumers' tax.

No tax will be charged at the store, no tax bill will be handed over to the individual customer. Each transaction will be as before. But the tax nevertheless will be included in the price. It will be passed on from the manufacturer, the dealer, the retailer, directly to the buyer.

In other words, in this depressed year the people are to have their cost of living increased 2½ per cent, or more likely 5 per cent, as prices go up under cover of the tax.

If Congressmen running for reelection think they can load this new burden upon the straining backs of the American people and that it will go unnoticed, they are due for a surprise.

Congress is asking the American people for a billion and a quarter dollars under the new revenue bill. In return they have reduced governmental operating expenses the munificent sum of \$125,000,000.

A dime for a dollar! It is a wild assumption, in such a year, for anyone to think they can put over a deal like this and escape either notice or retribution.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3237. An act to legalize a bridge across the Mississippi River at Grand Rapids, Minn.; and

S. 3322. An act to transfer certain jurisdiction from the War Department in the management of Indian country.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did, on March 21, 1932, present to the President, for his approval, a bill of the House of the following title:

H. R. 5315. An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), the House adjourned until to-morrow, Wednesday, March 23, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, March 23, 1932, as reported to the floor leader by clerks of the several committees:

INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Railroad holding companies. Commissioner Eastman will appear (H. R. 9059).

JUDICIARY

(10 a. m.)

Proposing an amendment to the Constitution relative to equal rights for men and women (H. J. Res. 197).

LIBRARY

(10 a. m.)

To make available to Congress the services and data of the Interstate Legislative Reference Bureau (H. J. Res. 131).

POST OFFICE AND POST ROADS

(10 a. m.)

To amend the air mail act of February 2, 1925, as amended, further to encourage commercial aviation (H. R. 9841, 8390).

NAVAL AFFAIRS

(10.30 a. m.)

To authorize the disposition of the naval ordnance plant, South Charleston, W. Va. (H. R. 4657).

EXECUTIVE COMMUNICATIONS, ETC.

499. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a proposed draft of a bill to authorize telephone service in Government-controlled buildings on public health stations, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PATMAN: Committee on the District of Columbia. S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918; without amendment (Rept. No. 858). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARLAN: Committee on the District of Columbia. H. R. 6402. A bill to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes; with amendment (Rept. No. 859). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARLAN: Committee on the District of Columbia. H. R. 8991. A bill to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Laws of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes; with amendment (Rept. No. 860). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 6501. A bill for the relief of Oswald Bauch; without amendment (Rept. No. 854). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10294. A bill to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operating during the World War; without amendment (Rept. No. 855). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 278. An act for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont.; without amendment (Rept. No. 856). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 7191. A bill for the relief of Albert G. Dawson; without amendment (Rept. No. 857). Referred to the Committee of the Whole House.

Mr. EVANS of California: Committee on Naval Affairs. H. R. 620. A bill for the relief of Stephen A. McNeil; with amendment (Rept. No. 861). Referred to the Committee of the Whole House.

Mr. LANKFORD of Virginia: Committee on Naval Affairs. H. R. 792. A bill for the relief of William Joseph Vigneault; with amendment (Rept. No. 862). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 1177. A bill for the relief of Peter E. Anderson; with amendment (Rept. No. 863). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 1936. A bill for the relief of Sydney Thayer, jr.; with amendment (Rept. No. 864). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 2907. A bill for the relief of Walter Sam Young; with amendment (Rept. No. 865). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 5548. A bill for the relief of George Brackett Cargill, deceased; with amendment (Rept. No. 866). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 6409. A bill for the relief of William Joseph LaCarte; with amendment (Rept. No. 867). Referred to the Committee of the Whole House.

Mr. BARTON: Committee on Naval Affairs. H. R. 7263. A bill for the relief of Felix Maupin; with amendment (Rept. No. 868). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 7548. A bill granting six months' pay to Ruth McCarn; without amendment (Rept. No. 869). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 9231. A bill for the relief of George Occhionero; with amendment (Rept. No. 870). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 9326. A bill for the relief of John E. Davidson; without amendment (Rept. No. 871). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 9355. A bill for the relief of David Schwartz; with amendment (Rept. No. 872). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 1264. A bill for the relief of Henry Stanley Wood; without amendment (Rept. No. 873). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8838) granting an increase of pension to George Bunch; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9083) granting a pension to Mary Elliott; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 10739) to provide that the prevailing rate of wages shall be paid to laborers and mechanics employed on certain public works of the United States, the District of Columbia, the Territories, and the Panama Canal, and for other purposes; to the Committee on Labor.

By Mr. SIROVICH: A bill (H. R. 10740) to amend and consolidate the acts respecting copyright, and to codify and amend common-law copyright; to the Committee on Patents.

Also, a bill (H. R. 10741) to provide a permanent force to classify patents, etc., in the Patent Office; to the Committee on Patents.

By Mr. WICKERSHAM: A bill (H. R. 10742) to amend an act entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes," approved February 14, 1917 (39 Stat. L. 903); to the Committee on the Territories.

By Mr. WILSON: A bill (H. R. 10743) to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works; to the Committee on Expenditures in the Executive Departments.

By Mr. EATON of Colorado: A bill (H. R. 10744) to authorize the issuance of patents for certain lands in the State of Colorado to certain persons; to the Committee on the Public Lands.

By Mr. CELLER (by request): A bill (H. R. 10745) to amend the national prohibition act, the act supplemental to the national prohibition act, the postal laws and regulations, and for other purposes; to the Committee on the Judiciary.

By Mr. COLTON: A bill (H. R. 10746) to provide for the compromise and settlement of the indebtedness of railroad companies to the United States arising under the provisions of Title II of the transportation act, 1920, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: A bill (H. R. 10747) to amend the immigration act of 1924, as amended, to facilitate reunion of families, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SIMMONS: A bill (H. R. 10748) for liquidating bonded and other outstanding indebtedness of the farmers' irrigation district, Nebraska; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 10749) to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes; to the Committee on Public Buildings and Grounds.

By Mr. BUCHANAN: A bill (H. R. 10750) to provide for a survey of the Brazos River, Tex., with a view to the prevention and control of its floods; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 10751) granting a pension to Mary L. Burritt; to the Committee on Pensions.

By Mr. BEEDY: A bill (H. R. 10752) for the relief of Charles R. Daggett; to the Committee on Military Affairs.

By Mr. BUCKBEE: A bill (H. R. 10753) granting a pension to Anna Bailey; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 10754) granting an increase of pension to Rosalie O. Coy; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 10755) granting a pension to Mary J. Logsdon; to the Committee on Invalid Pensions.

By Mr. COLTON: A bill (H. R. 10756) for the relief of Clive Sprouse and Robert F. Moore; to the Committee on the Public Lands.

By Mr. CRAIL: A bill (H. R. 10757) granting an increase of pension to Margaret Cook; to the Committee on Invalid Pensions.

By Mr. DELANEY: A bill (H. R. 10758) for the relief of Mrs. Hugh J. Finn; to the Committee on Naval Affairs.

By Mr. FIESINGER: A bill (H. R. 10759) granting an increase of pension to Jennie Harding; to the Committee on Invalid Pensions.

By Mr. FLANNAGAN: A bill (H. R. 10760) for the relief of the heirs of Robert Bliss Keys; to the Committee on Claims.

By Mr. GARBER: A bill (H. R. 10761) for the relief of Robert N. Phelps; to the Committee on Military Affairs.

By Mr. GOODWIN: A bill (H. R. 10762) for the relief of William E. Crawford; to the Committee on Military Affairs.

By Mr. HOPKINS: A bill (H. R. 10763) granting a pension to Sarah O. Mastin; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 10764) granting a pension to Fred Tope; to the Committee on Pensions.

By Mr. KELLY of Illinois: A bill (H. R. 10765) for the relief of Paul Sullivan; to the Committee on Naval Affairs.

By Mr. LAMBERTSON: A bill (H. R. 10766) granting a pension to Joseph J. Lakin; to the Committee on Pensions.

By Mr. SIMMONS: A bill (H. R. 10767) granting a pension to Ida Feathers; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 10768) granting an increase of pension to Emaline Reichenbach; to the Committee on Invalid Pensions.

By Mr. TIERNEY: A bill (H. R. 10769) for the relief of William Larson; to the Committee on Naval Affairs.

By Mr. TILSON: A bill (H. R. 10770) granting a pension to Bertha Jane Barnard Smith; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 10771) for the relief of Allie T. Harwood; to the Committee on Military Affairs.

Also, a bill (H. R. 10772) granting a pension to Allie T. Harwood; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4717. By Mr. ALMON: Petition of W. S. Minter, Bridgeport, Ala., together with 94 other railway employees on different railroad systems, requesting the support and vote of House bill 9891, as sponsored by the Railroad Employees' National Pension Association, which has for its purpose to provide adequate retirement pension for all persons employed by railroads, express, and Pullman companies that are subject to the regulatory powers of Congress over interstate commerce; to the Committee on Interstate and Foreign Commerce.

4718. By Mr. ANDREW of Massachusetts: Petition of Dr. A. E. Morrell and other citizens of Newburyport, Mass., protesting against the proposed Sunday observance bill (S. 1202); to the Committee on the District of Columbia.

4719. By Mr. ANDREWS of New York: Petition of 77 patients of the Niagara Sanatorium, urging passage of House bill 4743; to the Committee on Education.

4720. By Mr. BARBOUR: Resolutions adopted by Reserve Officers' Association and indorsed by various organizations and residents of the seventh congressional district of California, relative to appropriations affecting national defense; to the Committee on Appropriations.

4721. Also, petition of residents of Tulare County, Calif., protesting against bills providing for closing barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

4722. By Mr. BLANTON: Petition of the American Legion post and ex-service men and the leading business men and citizens of Strawn, Palo Pinto County, Tex., presented by W. L. Garner, editor Tribune; F. B. Stuart, president First National Bank; C. R. Whitaker, I. C. Watson, Page Baxendale, J. R. Anderson, Dalton & Carlisle, and Gaither & Anderson, committee, urging immediate payment in cash of the

adjusted-compensation certificates; to the Committee on Ways and Means.

4723. By Mr. CAMPBELL of Iowa: Petition of Ira Fountain, of Linn Grove, Iowa, and 95 other citizens and voters of Buena Vista County, Iowa, urging the passage of Senate bill 1197, known as the Frazier bill; to the Committee on Agriculture.

4724. By Mr. CORNING: Petition signed by Edith Hayward Thorne and other citizens of Albany, N. Y., opposing reduction of our national defense; to the Committee on Appropriations.

4725. By Mr. DAVENPORT: Petition of Group No. 2066 of the Polish National Alliance of the United States, New York Mills, N. Y., urging Congress to enact House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4726. Also, petition of Meyer Rebeck, of Utica, and J. H. Graham, of Rome, N. Y., favoring the Oliver substitute relief bill for the relief of substitute postal employees; to the Committee on the Post Office and Post Roads.

4727. Also, petition of the Woman's Christian Temperance Union of Norway, N. Y., favoring the maintenance of the prohibition law and its enforcement, and opposing any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

4728. Also, petition of Fromia E. Bates, Julia Meyers, Enos H. Eades, E. E. Blackburn, Charles M. Root, and 125 others of Rome, N. Y., favoring the maintenance of the prohibition law and its enforcement, and opposing any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

4729. By Mr. EVANS of California: Petition and resolution adopted by the Stickney Woman's Christian Temperance Union, representing 415 members, opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4730. By Mr. FULLER: Petition of C. E. Bunnell and 27 other residents of Berryville, Ark., urging support of a measure paying the adjusted-compensation certificates in full; to the Committee on Ways and Means.

4731. By Mr. GARBER: Petition of H. H. Valentine, of Oakland, Calif., and W. J. Thompson, 339 Gale Avenue, River Forest, Ill., urging support of House bill 9891, the railroad pension bill; to the Committee on Interstate and Foreign Commerce.

4732. Also, petition of Chapter No. 35, Railroad Employees' National Pension Association (Inc.), urging support of House bill 9891; to the Committee on Interstate and Foreign Commerce.

4733. Also, petition of the Alva Chamber of Commerce and Bell's Ice Cream Co., of Alva, and the Enid Ice & Fuel Co., and the Enid Cooperative Creamery, of Enid, Okla., protesting against the proposed imposition of tax on ice cream; to the Committee on Ways and Means.

4734. Also, petition signed by Joseph B. Thoburn, director Oklahoma Historical Society; C. H. Hyde, legislative representative, National Farmers Union; Oscar Ameringer, editor American Guardian; Mr. Porter, manager Oklahoma Broom Corn Growers Association; Mr. Arnett, chairman of board of trustees, Society for the Conservation of Life; George Bishop, founder Oklahoma Crop Improvement Association; Dan Hogan, president Leader Press; Campbell Russell; and James R. Garner, secretary Society for the Conservation of Life, urging substantial increase of the inheritance tax on the higher brackets and protesting against the proposed sales tax; to the Committee on Ways and Means.

4735. By Mr. GILCHRIST: Petition of 89 citizens of Garner, Iowa, protesting against an admission tax on the lower admission classifications, stating that it would be injurious and detrimental to the business in their community, and also that they felt that passage of this bill would cause closings of many theaters in their territory and further increase the number of unemployed; to the Committee on Ways and Means.

4736. Also, petition of 160 citizens of Britt, Iowa, protesting against an admission tax on the lower admission classifications, stating that it would be injurious and detrimental to the business in their community, and also that they felt that passage of this bill would cause closings of many theaters in their territory and further increase the number of unemployed; to the Committee on Ways and Means.

4737. Also, petition of Emil C. Ehlers and 23 other citizens of Crawford County, Iowa, urging the passage of Senate bills 2487, 3133, and 1197, providing for the fixing of the relative value of gold and silver, cost of production for farm products, and providing for the liquidating and refinancing of agricultural indebtedness, respectively; to the Committee on Banking and Currency.

4738. Also, petition of the Auxiliary Union to Adams Post, No. 119, American Legion, at Humboldt, Iowa, containing 23 names, respectfully requesting the passage of the American Legion bill to provide adequate pensions for widows and orphans of all deceased World War veterans; to the Committee on World War Veterans' Legislation.

4739. Also, petition of Alfred McCombs and 36 other citizens of Palo Alto County, Iowa, urging the passage of bills now before Congress designed to give aid and relief to agriculture; to the Committee on Banking and Currency.

4740. By Mr. HALL of Mississippi: Petition signed by 52 members of the Orville Carver Post, No. 100, American Legion, Poplarville, Miss., urging the immediate payment of the adjusted-service certificates without deduction of interest due on loans already made on such certificates; to the Committee on Ways and Means.

4741. By Mr. HANCOCK of New York: Petition of Thomas F. King and other residents of Onondaga County, N. Y., favoring the immediate payment in full of adjusted-service certificates; to the Committee on Ways and Means.

4742. By Mr. HARE: Petition of the Legislature of the State of South Carolina, memorializing the President and the Congress to pass a bill to pay the soldiers of the World War their adjusted-service certificates; to the Committee on Ways and Means.

4743. By Mr. HARLAN: Petition of Joe Spatz and others, protesting against the manufacturers' tax on malt sirup; to the Committee on Ways and Means.

4744. By Mr. HOPKINS: Petition transmitted by Frances Brown, Union Star, Mo., and signed by 22 leading citizens of Union Star and vicinity, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4745. By Mr. HOUSTON of Delaware: Petition of 44 residents of Marydel, Md. and Del., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4746. Also, petition of the Hockessin Woman's Christian Temperance Union, representing 40 people, Hockessin, Del.; to the Committee on the Judiciary.

4747. Also, memorial of Group No. 431 of the Polish National Alliance of the United States, with local headquarters at 200 South Adams Street, Wilmington, Del., and signed by W. Madej, president, John Perzanowski, secretary, and John W. Miklanewicz, treasurer; to the Committee on the Judiciary.

4748. Also, petition of 180 citizens of Milton, Del., urging the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

4749. By Mr. JAMES: Petition of officers and members of Court North Star, Foresters of America, Calumet, Mich., through Anthony Landini, chief ranger, Clement P. Hammes, financial secretary, and William Mills, grand subchief ranger, committee; to the Committee on Ways and Means.

4750. Also, petition of Ancient Order of Foresters, Court Robin Hood, Calumet, Mich., petitioning for a tariff on copper; to the Committee on Ways and Means.

4751. By Mr. JENKINS: Petition signed by several merchants and citizens of Nelsonville, Ohio, petitioning Representatives of Ohio to give their support to amend the act of July 2, 1930, relating to protection of trade and commerce

against unlawful restraints and monopolies as provided in House bill 8930; to the Committee on Interstate and Foreign Commerce.

4752. By Mr. JOHNSON of Texas: Petition of Hon. J. R. Donnell and Hon. W. R. Bounds, of Hubbard; C. N. Williford, of Fairfield; and John B. Jones, of Blooming Grove, all in the State of Texas, opposing reduction of appropriation for Federal Farm Board and commending the Federal farm marketing act; to the Committee on Appropriations.

4753. Also, petition of 88 citizens of Hubbard, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

4754. By Mr. LINTHICUM: Petition of Arthur I. Judge, editor the Canning Trade, Baltimore, Md., and others, opposing various sections of sales tax; to the Committee on Ways and Means.

4755. Also, petition of Steamship Trade Association, Baltimore, Md., urging passage of House bill 4648 and Senate bill 7; to the Committee on Immigration and Naturalization.

4756. Also, petition of John F. Nugent, of Baltimore, Md., and the Tupperlake Chapter, No. 121, Disabled American Veterans of the World War, Tupperlake, N. Y., urging passage of House bill 8578, World War widows' bill; to the Committee on World War Veterans' Legislation.

4757. Also, petition of the Texas Transport & Terminal Co. and the Wilbur F. Spice & Co., Baltimore, Md., protesting against the elimination of the sea service bureau, H. R. 10022; to the Committee on Appropriations.

4758. Also, petition of William G. Rohrbach, of Baltimore, Md., urging passage of House bills 5325 and 349; to the Committee on the Civil Service.

4759. Also, petition of Jarka Corporation of Baltimore, Baltimore, Md., protesting passage of House bill 8821, amending longshoremen's and harbor workers' compensation act; to the Committee on the Judiciary.

4760. Also, petition of Oriole Branch, No. 176, National Association of Letter Carriers, Baltimore, Md., urging passage of House bill 6183; to the Committee on the Post Office and Post Roads.

4761. Also, petition of Iberville Parish Health Unit, Plaquemine, La., urging passage of House bill 7525; to the Committee on Interstate and Foreign Commerce.

4762. Also, petition urging passage of House bill 4680; to the Committee on Expenditures in the Executive Departments.

4763. Also, petition of Herbert C. Fooks, of Baltimore, Md., urging passage of Senate bill 3112; to the Committee on Military Affairs.

4764. Also, petition of Colonel Theodore Roosevelt Camp, No. 6, United Spanish War Veterans, and Florence E. Bowles, of Baltimore, Md., urging passage of House bill 7230; to the Committee on Pensions.

4765. Also, petition of Baltimore Association of Commerce, Baltimore, Md., urging passage of House bill 6187; to the Committee on Public Buildings and Grounds.

4766. Also, petition of Montfaucon Post, No. 4, American Legion, and Sergeant Henry Gunther Post, No. 1858, Veterans of Foreign Wars, Baltimore, Md., urging passage of House bill 8578; to the Committee on World War Veterans' Legislation.

4767. By Mr. LONERGAN: Petition protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4768. By Mr. PERSON: Resolution of Group No. 2628 of the Polish National Alliance of the United States of America, Hamtramck, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

4769. Also, resolution of Group 2481 of the Polish National Alliance of the United States of North America, Hamtramck, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

4770. Also, resolution of Major John C. Durst Auxiliary, No. 15, United Spanish War Veterans, Lansing, Mich., indorsing and urging the passage of the Gasque bill (H. R. 7230); to the Committee on Pensions.

4771. Also, petition of 80 citizens of Detroit, Mich., and vicinity, protesting against House bill 8092; to the Committee on the District of Columbia.

4772. Also, petition of 336 citizens of Detroit, Mich., and vicinity, employees of the Railway Express Agency (Inc.), protesting against the proposed increase rate of postage on first-class mail; to the Committee on the Post Office and Post Roads.

4773. Also, petition of Charles R. Adair, Flint, Mich., and 28 others, favoring the plan for stabilizing prices through regulation of the volume of money in circulation, as proposed in the coinage act of 1932, offered by the American Monetary Reform Association; to the Committee on Banking and Currency.

4774. Also, resolution of Charles A. Learned Post, No. 1, American Legion, Detroit, Mich., favoring the immediate payment, without interest, of the unpaid portion of the adjusted compensation; to the Committee on Ways and Means.

4775. Also, resolution of Capt. David L. Kimball Camp, No. 51, United Spanish War Veterans, Pontiac, Mich., indorsing House bill 7230; to the Committee on Pensions.

4776. Also, resolution of Maj. John C. Durst Camp, No. 40, United Spanish War Veterans, Lansing, Mich., indorsing and favoring the passage of the Gasque bill, H. R. 7230; to the Committee on Pensions.

4777. Also, resolution of Group 1676 of the Polish National Alliance of the United States of North America, Hamtramck, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

4778. By Mr. PETTENGILL: Petition of Susan Armstrong, of Grass Creek, Ind., and 95 others, opposing compulsory Sunday observance; to the Committee on the District of Columbia.

4779. By Mr. RUDD: Petition of Local 802, A. F. of M., New York City, opposing the 10 per cent tax on theaters and favoring the Connery amendment; to the Committee on Ways and Means.

4780. Also, petition of Royal Undergarment Co., New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4781. Also, petition of Star Maid Dresses (Inc.), New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4782. Also, petition of Scovell-Wellington Co., New York City, opposing the proposed tax on imported gasoline, fuel oil, etc.; to the Committee on Ways and Means.

4783. Also, petition of Meyer Dorfman, Brooklyn, N. Y., opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4784. Also, petition of Michael Cooper, New York City, protesting against the manufacturers' sales tax; to the Committee on Ways and Means.

4785. Also, petition of L. Wohl & Co., New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4786. Also, petition of Weiss & Williams, New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4787. Also, petition of Gotham Children's Underwear Co., Brooklyn, N. Y., opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4788. Also, petition of Fine Form Brassiere Co. (Inc.), New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4789. Also, petition of Priscilla Corset Co., New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4790. Also, petition of Bedford Dress Co., New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4791. Also, petition of Holland Hessol Co. (Inc.), New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4792. Also, petition of Oxford Dress Co., New York, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4793. Also, petition of New York Typographical Union, No. 6, favoring the Connery bill, H. R. 7926; to the Committee on Labor.

4794. By Mr. SELVIG: Petition of 80 members of the American Legion Auxiliary, No. 27, Warren, Minn., urging enactment of widows and orphans' bill without the "need" clause; to the Committee on World War Veterans' Legislation.

4795. Also, petition of Adolph Bakke, of Newfolden, Minn., supporting various proposals aiding widows and orphans and the World War veterans; to the Committee on World War Veterans' Legislation.

4796. Also, petition of J. M. Paulson and Simon Ellefson, of Lancaster, Minn., urging immediate cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

4797. Also, petition of Charles F. Lotterer and 29 other veterans of Perham, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

4798. By Mr. SNOW: Petition of G. L. Newcomb and other citizens of Westfield, Me., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4799. Also, petition of H. W. Braley and other citizens of Mapleton, Me., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4800. By Mr. SUTPHIN: Petition of Allied Theater Owners of New Jersey (Inc.), opposing admission tax on theater tickets; to the Committee on Ways and Means.

4801. Also, petition of the Board of Education of Jamesburg, N. J., opposing the sales tax on oil; to the Committee on Ways and Means.

4802. Also, petition presented by the Chamber of Commerce of New Brunswick, N. J., opposing tax burdening the use of highways; to the Committee on Interstate and Foreign Commerce.

4803. By Mr. SWANSON: Petition of O. B. Walters, Edna Whitney, William R. Allis, and others, favoring the imposition of a tax on imported gasoline, fuel oil, and crude oil; to the Committee on Ways and Means.

4804. By Mr. SWICK: Petition of J. Wilbur Randolph Post, No. 157, American Legion, Ellwood City, Lawrence County, Pa., R. Wayne Baird, adjutant, requesting the Government of the United States of America cause to be paid to all persons holding adjusted-compensation certificates of the United States the principal sums of money represented thereby or to become due thereby by proper legislative enactment authorizing such payments to be made, and that immediate steps be taken looking to the preparation and passage of required Federal legislation authorizing and directing immediate payment of World War adjusted-compensation certificates; to the Committee on Ways and Means.

4805. By Mr. TEMPLE: Petition of a number of residents of Avella, Washington County, Pa., supporting the Davis-Kelly bill to regulate interstate and foreign commerce in bituminous coal; to the Committee on Interstate and Foreign Commerce.

4806. Also, petition of M. F. Warner, of Langeloth, Pa., advocating a tariff on copper; to the Committee on Ways and Means.

4807. By Mr. TIERNEY: Petition protesting against a tax on crude petroleum and petroleum products, including fuel oils; to the Committee on Ways and Means.

4808. Also, petition protesting against a tax on imported crude oil and gasoline; to the Committee on Ways and Means.

4809. Also, petition protesting against Federal taxation and reduction of maintaining Federal Government; to the Committee on Ways and Means.

4810. Also, petition urging a change in the prohibition law; to the Committee on the Judiciary.

4811. Also, petition protesting against the enactment of Senate Concurrent Resolution 11 and House Concurrent Resolution 16, reduction of Federal maintenance, etc.; to the Committee on Agriculture.

4812. Also, petition favoring protection of grizzly and brown bears of Admiralty Island, Alaska; to the Committee on Agriculture.

4813. Also, petition protesting against the sales tax; to the Committee on Ways and Means.

4814. By Mr. WILLIAMS of Texas: Petition of the Democratic Territorial central committee of Honolulu, Hawaii, opposing any and all measures which discriminate against the people of Hawaii and favor the employing of Filipinos on plantations instead; to the Committee on Insular Affairs.

SENATE

WEDNESDAY, MARCH 23, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who dost bind us to life by sweet and holy ties, twining the tendrils of our hearts around loved ones and friends; make us so to love the blessed things Thou dost impart by voices and by silences, in moments of illumination and in hours of obscurity, through pleasure and through pain, in the labor to which we are compelled and in the sickness that interrupts our labor, in the experience that brings strength and in the temptation that lays bare our weakness, that being taught of Thee from day to day we may be found faithful in every relationship of life.

Speak peace to the hearts of all who are afflicted or distressed in our beloved Southland, and do Thou comfort and relieve them according to their several necessities, giving them patience under their sufferings and a happy issue out of all their afflictions.

We ask it for the sake of Him whom Thou hast sent to bear our griefs and carry our sorrows, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday last, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ind.
Austin	Couzens	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	Lewis	Steiwer
Bingham	Fess	Logan	Thomas, Idaho
Black	Fletcher	McGill	Thomas, Okla.
Blaine	Frazier	McKellar	Townsend
Borah	George	McNary	Trammell
Bratton	Glass	Metcalf	Vandenberg
Brookhart	Glenn	Morrison	Wagner
Broussard	Goldsborough	Moses	Walcott
Bulkeley	Gore	Neely	Walsh, Mass.
Bulow	Harrison	Norbeck	Walsh, Mont.
Byrnes	Hatfield	Norris	Waterman
Capper	Hayden	Nye	Watson
Caraway	Hebert	Oddie	Wheeler
Carey	Howell	Pittman	White
Coolidge	Hull	Reed	
Copeland	Johnson	Robinson, Ark.	

Mr. TOWNSEND. I desire to announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that my colleague the junior Senator from Texas [Mr. CONNALLY] is necessarily absent because of a death in his family.